

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

SALUS CAPITAL PARTNERS, LLC

Applicant

- and -

**J.S.N. JEWELLERY INC., J.S.N. JEWELLERY UK LIMITED, GMJ
CORP., 2373138 ONTARIO INC., ALWAYS & FOREVER FAMILY
COLLECTION INCORPORATED AND P.M.R. INC.**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**RESPONDING MOTION RECORD OF THE RECEIVER, RICHTER ADVISORY
GROUP INC., IN ITS CAPACITY AS RECEIVER OF J.S.N. JEWELLERY INC., J.S.N.
JEWELLERY UK LIMITED, GMJ CORP., 2373138 ONTARIO INC., ALWAYS &
FOREVER FAMILY COLLECTION INCORPORATED AND P.M.R. INC.**

**(Re: Utopia/Sharon Stone Motion)
Volume 2 of 2**

September 22, 2016

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE
JUSTICE NEWBOULD

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)
)

TUESDAY, THE 16th DAY
OF AUGUST, 2016



SALUS CAPITAL PARTNERS, LLC

Applicant

and

**J.S.N. JEWELLERY INC., J.S.N. JEWELLERY UK LIMITED, GMJ
CORP., 2373138 ONTARIO INC., ALWAYS & FOREVER FAMILY
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COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**APPROVAL AND VESTING ORDER
(Unique Designs, Inc. Transaction)**

THIS APPLICATION, made by Salus Capital Partners, LLC for an order approving the sale transaction (the "Transaction") contemplated by an offer to purchase (the "Sale Agreement") by Unique Designs, Inc. (the "Purchaser") dated August 16, 2016 for the purchase of certain assets of J.S.N. Jewellery Inc., J.S.N. Jewellery UK Limited, GMJ Corp. and Always & Forever Family Collection Incorporated (collectively, the "Debtor") and appended as confidential Exhibit A to the Affidavit of Kenneth R. Rosenstein sworn August 16 2016 (the "Rosenstein Affidavit"), and vesting in the Purchaser the Debtor's right, title and interest in and

to the assets described in the Sale Agreement (the "**Purchased Assets**"), subject to Sharon Stone Co. Ltd.'s ("**Sharon Stone**") assertions regarding ownership of certain designs for the jewellery manufactured, imported and/or distributed by the Debtor, as described in the affidavit of Shmuel Cohen sworn August 15, 2016, and the affidavit of Carla Eisnor sworn August 15, 2016 (the "**Sharon Stone Claim**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Rosenstein Affidavit and the exhibits thereto, the Affidavit of Michael A. O'Hara sworn August 2, 2016, and the exhibits thereto, the Affidavit of Kyle Shonak sworn August 3, 2016 and the exhibits thereto, the Report of Richter Advisory Group Inc. in its capacity as the proposed Court-appointed receiver (in such capacity, the "**Proposed Receiver**") of all the undertaking, property and assets of, among others, the Debtor, dated August 8, 2016 (the "**Report**") and the appendices thereto, the affidavit of Shmuel Cohen sworn August 15, 2016 and the exhibits thereto, and the affidavit of Carla Eisnor sworn August 15, 2016 and the exhibits thereto, and on the Proposed Receiver having been appointed as the receiver of all the undertaking, property and assets of, among others, the Debtor (in such capacity, the "**Receiver**"), by order of the Ontario Superior Court of Justice – Commercial List (the "**Court**") made today, and on hearing the submissions of counsel for the Receiver, the Applicant, Salus Capital Partners LLP ("**Salus**"), the Purchaser, Sharon Stone, and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Miranda Spence sworn August 5, 2016, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and the Receiver is hereby authorized and directed to execute the Sale Agreement, with such minor amendments including, without limitation, certain amendments with respect to tax and escrow issues, as may be agreed upon by the Receiver and the Purchaser. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction including, without limitation, the Sale Agreement, and for the conveyance of the Purchased Assets to the Purchaser.
2. **THIS COURT ORDERS AND DECLARES** that the determination of the Sharon Stone Claim shall be dealt with by further Order of the Court. Sharon Stone retains the right to assert

the Sharon Stone Claim, and nothing in this Order shall be deemed to prejudice or otherwise limit the Sharon Stone Claim.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement, including without limitation, all of the rights and obligations of the Debtor under the Assigned Contracts/Memos (as defined in the Sale Agreement), excluding any Consent Required Contract (as defined in the Sale Agreement) that the counterparty has not consented to the assignment of by the time of this order, and excluding any assets that are now or hereafter determined by the Court to be owned by Sharon Stone, shall vest absolutely in, and, as applicable, be assigned to, the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated August 16, 2016; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) all charges, security interests or claims evidenced by registrations against title records of any intellectual property right registered at any intellectual property office in any jurisdiction of the world, including, without limitation, the Canadian Intellectual Property Office; the United States Patent and Trademark Office; and the United Kingdom Intellectual Property Office; (iv) all charges, security interests or claims in relation to or securing the payment or performance of obligations under the Credit Agreement among J.S.N. Jewellery Inc. as lead borrower, the borrowers named therein, the guarantors named therein, and Salus as administrative agent and collateral agent, and the other lenders party thereto, dated July 18, 2016, as amended, or any guarantees in relation thereto or the Super Priority DIP Credit Agreement among Ben Moss Jewellers Western Canada Ltd., the guarantors named therein, Salus as administrative agent and collateral agent, and the other lenders party thereto, dated May 16, 2016, or any guarantees in relation thereto; and (v) any encumbrances or charges created by the Initial Order of Justice

Newbould dated May 18, 2016, as amended and restated, in relation to the CCAA proceedings of Ben Moss Jewellers Western Canada Ltd. bearing court file number CV- 16-11397-00CL (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets in accordance with the allocation of the Purchase Price (as defined in the Sale Agreement) set out in section 4.4 of the Sale Agreement (the "**Proceeds**"), and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the applicable Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that in executing the Sale Agreement and completing the Transaction and otherwise carrying out the terms of this Order the Receiver shall be acting for and on behalf of the Debtor and shall not, solely as a result of the foregoing, be or be deemed to be in possession or control of any Property (as defined in the Order (Appointing Receiver) of this Court issued August 11, 2016) or any part of the business of the Debtor.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser such human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees as may be necessary or advisable in connection with the Transaction. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications or any analogous proceedings in the United Kingdom or the United States; and
- (c) any assignment in bankruptcy made in respect of the Debtor in Canada, the United Kingdom or the United States;

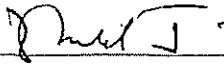
the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy or administrator that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

10. **THIS COURT ORDERS** that the Rosenstein Affidavit, including the Confidential Exhibits thereto, and the unredacted O'Hara Affidavit, including the Confidential Exhibits thereto, are hereby sealed, until further Order of the Court.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or the United Kingdom to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an

officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

AUG 16 2016

PER / PAR: 

Schedule A – Form of Receiver's Certificate

Court File No. CV-16-011478-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

SALUS CAPITAL PARTNERS, LLC

Applicant

and

J.S.N. JEWELLERY INC., J.S.N. JEWELLERY UK LIMITED, GMJ
CORP., 2373138 ONTARIO INC., ALWAYS & FOREVER FAMILY
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Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
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COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED RECEIVER'S
CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice – Commercial List (the "Court") dated August 16, 2016, Richter Advisory Group Inc. was appointed as the receiver (in such capacity, the "Receiver") of all the undertaking, property and assets of J.S.N. Jewellery Inc., J.S.N. Jewellery UK Limited, GMJ Corp., 2373138 Ontario Inc., Always & Forever Family Collection Incorporated and P.M.R. Inc.

B. Pursuant to an Order of the Court dated August 16, 2016, the Court approved the offer to purchase (the "Sale Agreement") made as of August 16, 2016 by Unique Designs, Inc. ("the Purchaser") for the purchase of certain assets of J.S.N. Jewellery Inc., J.S.N. Jewellery UK Limited, GMJ Corp., and Always & Forever Family Collection Incorporated (collectively, the "Debtor") and vesting in the Purchaser the Debtor's right, title and interest in and to the Purchased Assets, subject to Sharon Stone Co. Ltd.'s ("Sharon Stone") claim to ownership of

certain designs for the jewellery manufactured, imported and/or distributed by the Debtor (the "Sharon Stone Claim"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**RICHTER ADVISORY GROUP INC., solely
in its capacity as Court-appointed Receiver of
J.S.N. JEWELLERY INC., J.S.N.
JEWELLERY UK LIMITED, GMJ CORP.,
and ALWAYS & FOREVER FAMILY
COLLECTION INCORPORATED, and not
in its personal capacity**

Per: _____

Name:

Title:

SALUS CAPITAL PARTNERS, LLC

and

J.S.N. JEWELLERY INC., et al.

Court File No. CV-16-011478-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at TORONTO

APPROVAL AND VESTING ORDER

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APPENDIX "M"

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Barristers and Solicitors
Patent and Trade-mark Agents

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akauffman@fasken.com

August 29, 2016
File No.: 300245.00004/16471

By Email

Mr. Jeffrey J. Simpson
Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street
Suite 1500
Toronto, ON M5C 2W7

Dear Mr. Simpson:

**Re: Receivership of J.S.N. Jewellery Inc., et al
Claim of Sharon Stone Co. Ltd. ("Sharon Stone") and Utopia Jewellery Ltd.
("Utopia")**

As you are aware, we act for the Richter Advisory Group Inc. (the "**Receiver**") in the above captioned proceedings. As part of our client's investigation into the claims asserted by Sharon Stone and Utopia as set out in your Notice of Motion dated August 22, 2016, could you please provide the Receiver with the following documentation or information:

1. a copy of the shareholder ledger of Utopia or, alternatively, confirmation that all of the shares of Utopia are held by Whitpay Inc.;
2. a list of the directors and officers of Utopia;
3. a copy of the shareholder ledger for Sharon Stone Inc. and list of directors and officers of Sharon Stone Inc.;
4. 2015 and 2016 Thai corporate filings for Utopia and Sharon Stone Inc.;
5. in respect of paragraph 5 of the Affidavit of Mr. Cohen ("**Cohen Affidavit**") a copy of any contract or agreement or documentation between Utopia and Sharon Stone dealing shared space;

300245.00004/93957840.2

6. with respect to Exhibit "A" to the Cohen Affidavit, invoices reflecting sales to third party purchasers in 2015 or 2016;
7. financial statements of Sharon Stone and Utopia for the previous three years (the Receiver is interested in the assets listed in the financial statements - the Receiver is content that the numbers on the financial statements be redacted);
8. copies of the personal guarantees, mortgages and related loan documentation referred to in paragraph 8 of the Cohen Affidavit;
9. particulars of the \$17 million amount allegedly owed to Utopia by J.S.N. and documentation to support such claim as referred to in paragraph 10 of the Cohen Affidavit; and
10. with respect to Exhibit "B" of the Cohen Affidavit, produce the complete list of assets over which Utopia / Sharon Stone allege their ownership interest.

We would appreciate receipt of the above information at your earliest convenience and, in any event, within seven days so that the Receiver can proceed with its investigation of the allegations of your clients.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Aubrey E. Kauffman
AEK/imp

APPENDIX "N"

From: Carla Eisnor [mailto:Carla.Eisnor@jsnjewellery.com]
Sent: Thursday, August 27, 2015 12:02 PM
To: Zalev, Adam
Cc: Belcher, James; Larry Goldberg; Mark Sturrock
Subject: Data request

Adam

A few of the items from below to keep your team progressing.

1. Current and up to date Corporate ownership chart – reflecting changes since acquisition.
2. Most recent Borrowing Base Certificate and supporting documentation as provided to Salus Capital along with covenant compliance worksheet – see BBC#398 which is the weekly update file with all back up which includes inventory ledgers (item 10), current receivables listings for the wholesales group which are included in the Borrowing base.
3. 2016 Budget as submitted to Salus – by entity, 3 way model with borrowing base forecast
4. June 2015 financial package as submitted to Salus – In speaking with Mark, it is as sent to Salus, the company has not updated for the audited figures for March 2015 and I see some minor presentation errors to be corrected. Will send you the entity consol. so that you have the by entity BS & PL within wholesale.
5. 2012 and 2014 audited FS (note there was no 2013) for the Group. Will look to find the scanned Ben Moss standalone for those periods. 2015 has not yet been issued – will see about getting draft. 🐼

Let me know if you would like to discuss. There was no Strategy Document presented to Salus this year as the company did not do a formal presentation. The top customer list for the group will also follow.

Carla

From: Mark Sturrock [mailto:mv_sturrock@cogeco.ca]
Sent: August-17-15 6:59 AM
To: Larry Goldberg; Carla Eisnor
Cc: Adam C. Zalev; Belcher James; Mark Sturrock
Subject: Re: Follow-up to our meeting on Friday

Larry and Carla,

Thanks again for signing back the engagement letter and your confidence in both A&M and MVSP. I will begin sharing information with A&M today and kindly ask you to begin sending the requested information as per my email of June 8th. When sending the information please send it to both A&M (Adam and James copied herein) and to MVS Partners.

By way of summary:

1. CIM (do you still have the original one completed in 2012 by Capital Canada)? **MVSP will send this to A&M today**
 2. Current and up to date Corporate ownership chart (I recall Carla indicating this was going to be cleaned up significantly post close of Ben Moss).
 3. Audited Financial Statements – most recent 3 years (Consolidated/combined and standalone as available).
 4. Latest Available Interim Financial Statements (unit and Group).
 5. Financial Forecasts – current working model with I/S, B/S, and CFS preferably monthly stretching forward for 2015 and 2016.
 6. Related to 5 above – A copy of the supporting “Business Plan” / “Strategy Document” that supports the forecasted numbers.
 7. A copy of the PWC Business Plan Review completed in September 2014. **MVSP will send this to A&M today**
 8. Current Receivables Listing (for JSN Group).
 9. Top 10 customer listing for JSN (mfg side of the business).
 10. Current Inventory Ledger (summary by JSN, Ben Moss, retail and mfg and location).
 11. Most recent Borrowing Base Certificate and supporting documentation as provided to Salus Capital along with covenant compliance worksheet.
 12. Most recent inventory appraisal and any supporting materials from 360 re: the insurance for the incremental advance rates. **MVSP will send this to A&M today**
- A copy of the PWC QofE that was completed on Ben Moss at the time of the acquisition. **MVSP will send this to A&M today**

Mark V. Sturrock

President

MVS Partners Inc.

Mobile: 416-209-9588

Email: mv_sturrock@cogeco.ca

On Jun 8, 2015, at 8:51 PM, Mark Sturrock <mv_sturrock@cogeco.ca> wrote:

Joseph, Steve and Larry,

First let me begin by thanking you for the opportunity to once again work for you and on behalf of JSN / Ben Moss. Over the past two and a half

years we seen great and wonderful things happen and I am very thankful for having played a small part in your overall success. I am also very excited to be once again working with you on the next stage of your evolution. As discussed and after careful consideration I have decided to partner with Alvarez & Marsal Canada Securities ULC ("A&M") specifically Adam Zalev and Dean Mullett who I will formally introduce to you at some point in the future. Rest assured I will remain your key point of contact and I will do my utmost to get you the best deal in terms of price, structure and future flexibility so your success can continue to grow and flourish. Having known the team at A&M for a very long time, I am certain that A&M is aligned with this objective as well.

By way of introduction, A&M (<http://www.alvarezandmarsal.com/am-canada-corporate-finance>) has an extensive network of global relationships and has unparalleled access to capital sources around the world. Combined with extensive knowledge of the financial marketplace and a deep understanding of operations from years of hands-on experience, A&M offers independent advice and a holistic approach designed to maximize value. I have taken the liberty to attach a short presentation for your files.

Larry, as I know time is of the essence and in order to compile a detailed CIM to market the refinance opportunity to prospective lenders I will work with you as a starting point to pull the most current information so we can (a) tell the story and (b) build up the required resources for a dataroom which we will look to populate in the near future. Myself and the A&M team will also begin to review the financial statements, financial forecasts, business plan and other relevant information in order to develop a comprehensive financial model built off your projections for 2015 and beyond which will highlight the company's borrowing requirements relative to projected availability under the revolver plus the financial covenants designed around the term debt and total leverage of the company going forward. In this regard please find below a preliminary information request list:

1. CIM (do you still have the original one completed in 2012 by Capital Canada)?
2. Current and up to date Corporate ownership chart (I recall Carla indicating this was going to be cleaned up significantly post close of Ben Moss).
3. Audited Financial Statements – most recent 3 years (Consolidated/combined and standalone as available).
4. Latest Available Interim Financial Statements (unit and Group).
5. Financial Forecasts – current working model with I/S, B/S, and CFS preferably monthly stretching forward for 2015 and 2016.
6. Related to 5 above – A copy of the supporting "Business Plan" / "Strategy Document" that supports the forecasted numbers.
7. A copy of the PWC Business Plan Review completed in September 2014.
8. Current Receivables Listing (for JSN Group).
9. Top 10 customer listing for JSN (mfg side of the business).

10. Current Inventory Ledger (summary by JSN, Ben Moss, retail and mfg and location).
11. Most recent Borrowing Base Certificate and supporting documentation as provided to Salus Capital along with covenant compliance worksheet.
12. Most recent inventory appraisal and any supporting materials from 360 re: the insurance for the incremental advance rates.
13. A copy of the PWC QofE that was completed on Ben Moss at the time of the acquisition.

I am hoping to be in a position to deliver the Engagement letter this Wednesday – would that work for you?

I very much look forward to working with you on this very exciting and important milestone.

Regards,

Mark V. Sturrock
Senior Corporate Finance Professional
Mobile: 416-209-9588
Email: mv_sturrock@cogeco.ca

<AM Canada - JSN_June 8, 2015.pdf>

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APPENDIX "O"

J.S.N. Jewellery Group

Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless
otherwise stated)



April 19, 2013

Independent Auditor's Report

**To the Shareholder of
J.S.N. Jewellery Group**

We have audited the accompanying combined financial statements of J.S.N. Jewellery Group, a carve-out of the J.S.N. group of companies as described in note 1 of the combined financial statements, which comprise the combined balance sheet as at August 31, 2012 and the combined statements of income and equity in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian accounting standards for private enterprises and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*PricewaterhouseCoopers LLP
North American Centre, 5700 Yonge Street, Suite 1900, North York, Ontario, Canada M2M 4K7
T: +1 416 218 1500, F: +1 416 218 1499*

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Basis for qualified opinion**

Because we were appointed auditor of J.S.N. Jewellery Group during 2012, we were not able to observe the counting of the physical inventories at the beginning of that year or satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the results of operations and cash flows, we were unable to determine whether adjustments to the results of operations and cash flows might be necessary for 2012.

Secondly, the opening balance sheet and required disclosures on transition have not been included in the combined financial statements as at September 1, 2011, the date of transition to Canadian accounting standards for private enterprises and the combined financial statements have not been prepared on a comparative basis. This information is not presented as it is impracticable to do so.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the basis of qualified opinion paragraphs, the combined financial statements present fairly, in all material respects, the financial position of J.S.N. Jewellery Group, a carve-out of the J.S.N. group of companies as described in note 1 of the combined financial statements, as at August 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

J.S.N. Jewellery Group

Combined Balance Sheet

As at August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

	\$
Assets	
Current assets	
Cash	1,280,501
Accounts receivable (notes 3 and 11)	16,331,901
Inventories (note 4)	36,109,277
Prepaid expenses and other assets	984,154
Restricted deposits (note 6)	<u>588,638</u>
	55,294,471
Property, plant and equipment (note 5)	<u>784,494</u>
Total Assets	<u>56,078,965</u>
Liabilities	
Current liabilities	
Bank indebtedness (note 7)	11,313,233
Accounts payable and accrued liabilities (notes 8 and 11)	15,605,185
Income taxes payable (note 9)	<u>1,291,834</u>
Total Liabilities	28,210,252
Equity in Net Assets	<u>27,868,713</u>
Total Liabilities and Equity in Net Assets	<u>56,078,965</u>
Commitments and contingencies (note 15)	

Approved by the Sole Shareholder

The accompanying notes are an integral part of these combined financial statements.

J.S.N. Jewellery Group

Combined Statement of Income and Equity in Net Assets

For the year ended August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

	\$
Sales (note 11)	62,035,758
Cost of sales (notes 11 and 12)	<u>48,610,005</u>
Gross profit	<u>13,425,753</u>
Expenses	
General and administrative	7,666,731
Management fees (note 11)	600,000
Amortization	246,608
Foreign exchange gain	(455,058)
Interest	<u>563,224</u>
	<u>8,621,505</u>
Income before taxes	4,804,248
Provision for income taxes (note 9)	<u>1,324,942</u>
Net income for the year	3,479,306
Equity in net assets - Beginning of year	29,344,573
Movement in equity in net assets	<u>(4,955,166)</u>
Equity in net assets - End of year	<u>27,868,713</u>

The accompanying notes are an integral part of these combined financial statements.

J.S.N. Jewellery Group

Combined Statement of Cash Flows

For the year ended August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

\$

Cash provided by (used in)

Operating activities

Net income for the year	3,479,306
Items not affecting cash	
Amortization	345,362
Unrealized foreign exchange gain	290,278
Gain on sale of property, plant and equipment	(10,696)
Writedown of accounts receivable	30,000
	<u>4,134,250</u>
Net change in non-cash working capital items (note 14)	<u>(28,061)</u>
	<u>4,106,189</u>

Investing activities

Purchase of property, plant and equipment	(110,749)
Increase in restricted deposits	(306,528)
	<u>(417,277)</u>

Financing activities

Increase in bank indebtedness	2,149,066
Distributions	(175,316)
Movement in equity in net assets	(4,779,850)
	<u>(2,806,100)</u>

Effect of exchange rate changes on cash	(12,052)
--	-----------------

Net change in cash during the year	870,760
---	----------------

Cash - Beginning of year	409,741
---------------------------------	----------------

Cash - End of year	1,280,501
---------------------------	------------------

The accompanying notes are an integral part of these combined financial statements.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

1 Business operations and basis of presentation

The combined financial statements of J.S.N. Jewellery Group have been prepared on a carve-out basis from the combined financial statements of J.S.N. Jewellery Inc., GMJ Corporation, J.S.N. Jewellery UK Limited and Utopia Jewellery Ltd. (the Jewellery Group or the Group).

Because the Jewellery Group was a part of a group of companies under common control, these combined financial statements depict the equity in net assets representing the amounts associated specifically with the Jewellery Group.

The Jewellery Group is not a legal entity and is composed of a 100% interest of the following legal entities:

- J.S.N. Jewellery Inc.
- GMJ Corporation
- J.S.N. Jewellery UK Limited
- Utopia Jewellery Ltd.

All amounts have been derived from accounting information specific to the above legal entities.

These combined financial statements reflect the combined financial position, results of operations and cash flows of the Group. The assets, liabilities, revenues and expenses of the Group have been added together to determine the amounts included in these combined financial statements. Intercompany sales, expenses and receivables and payables between the entities in the Group have been eliminated. These combined financial statements may not necessarily reflect the results of operations, financial position, changes in equity and cash flows of the Jewellery Group in the future or what they would have been had it been a separate, stand-alone entity during the year presented.

The Jewellery Group's principal business activities include the manufacture, distribution and sale of diamond jewellery. The Group's primary sales markets are in Canada, the United States and the United Kingdom. The Jewellery Group's manufacturing facilities are located in Thailand and Ontario, Canada.

Basis of preparation

These combined financial statements have been prepared using Canadian accounting standards for private enterprises (ASPE) as issued by the Canadian Accounting Standards Board, except for the following:

- the combined financial statements are not prepared on a comparative basis as required by ASPE Section 1400.12; and
- the opening balance sheet and required disclosures on transition as required by ASPE Section 1500 have not been included in the combined financial statements as at September 1, 2011, the date of transition to ASPE.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

2 Summary of significant accounting policies

Revenue recognition

The Group recognized revenue, net of rebates and returns, when persuasive evidence of an arrangement exists, usually when the product is shipped to customers and the sale price is fixed or determinable and collectibility is reasonably assured.

Revenue for the sale of consignment inventory is recognized when the customer sells the product and notifies the Group of the sale.

Provisions for rebates, calculated based on contractual agreements, are recognized in the same period the related sales are recorded.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and highly liquid short-term investments with original maturities at the date of acquisition of 90 days or less, recorded at fair value and not subject to withdrawal restrictions.

Inventories

Raw materials are valued at the lower of cost, on a first-in, first-out basis and net realizable value. Work-in-process and finished goods are valued at the lower of cost, with cost being determined on a weighted average basis, and net realizable value. Work-in-process and finished goods include the cost of raw materials, labour and manufacturing overhead. Inventories are written down to net realizable value when the cost of inventories is estimated to be greater than the anticipated selling price less a provision for normal selling costs.

Property, plant and equipment

Property, plant and equipment are recorded at amortized cost net of any impairment losses. Property, plant and equipment are reviewed for impairment on a regular basis or whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. When an impairment is determined to exist, the impaired property, plant and equipment are written down to their fair value and the writedown is recognized in the combined statement of income and equity in net assets. Amortization is charged to the combined statement of income and equity in net assets and provided on a straight-line basis over the assets' estimated useful lives using the following annual rates:

Equipment and tools	10% - 40%
Office furniture and fixtures	10% - 40%
Leasehold improvements	15% - 40%
Computer hardware	15% - 30%
Computer software	20%
Vehicles	20% - 30%

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

Income taxes

The Group uses the income taxes payable method of accounting for income taxes. Under this method of accounting, the Group records as an expense or income only the cost or benefit of current income taxes for that year, determined in accordance with the rules established by the taxation authorities in the relevant jurisdictions in which it operates.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the combined balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates. Sales and expenses are translated at the average exchange rates prevailing during the year. Realized and unrealized gains and losses are included in the combined statement of income and equity in net assets.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value.

All other financial instruments are subsequently recorded at cost or amortized cost. The Group records cash, accounts receivable, accounts payable and accrued liabilities and bank indebtedness at amortized cost, less any impairment. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

As at August 31, 2012, J.S.N. Jewellery UK Limited was committed, under a foreign exchange derivative contract, to buy USD46,800,000 and sell pound sterling (GBP) between September 26, 2012 and August 27, 2014. Under the terms of the contract, the Group is committed to buying USD1,300,000 or USD1,950,000 if the spot rate is either below or above USD1.6475, respectively. In the months where the spot rate is below USD1.6475 the Group is committed to selling GBP at USD1.6475 for that month. The fair value of the contract at year end is a loss of \$234,714 (£150,025) recorded in accounts payable and accrued liabilities, and the loss is recorded through foreign exchange gain/loss in the combined statement of income and equity in net assets.

Measurement uncertainty

The preparation of combined financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the period. Actual future results could differ from those estimates.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

The estimated fair values of financial assets, liabilities and derivative instruments by their nature are subject to measurement uncertainty.

Tax interpretations, regulations and legislation and the interpretations thereof in the various jurisdictions in which the Group operates are subject to change. As such, income and other taxes are subject to measurement uncertainty.

3 Accounts receivable

	\$
Trade accounts	16,581,687
Less: Allowance for doubtful accounts	<u>(249,786)</u>
	<u>16,331,901</u>

4 Inventories

	\$
Raw materials	16,578,465
Work-in-process	2,656,624
Finished goods	<u>16,874,188</u>
	<u>36,109,277</u>

5 Property, plant and equipment

	Cost \$	Accumulated amortization \$	Net \$
Equipment and tools	2,603,731	2,299,584	304,147
Office furniture and fixtures	1,120,060	798,927	321,133
Leasehold improvements	217,963	216,127	1,836
Computer hardware	313,675	294,429	19,246
Computer software	692,281	692,281	-
Vehicles	266,542	128,410	138,132
	<u>5,214,252</u>	<u>4,429,758</u>	<u>784,494</u>

Property, plant and equipment with their carrying amount of \$323,496 are subject to capital leases, amortized on a straight-line basis over their remaining useful lives.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

6 Restricted deposits

As at August 31, 2012, the Group had restricted deposits amounting to \$588,638 (฿18,651,229), including accrued interest. The fixed deposits include \$315,600 (฿10,000,000) held by Bangkok Bank and \$94,680 (฿3,000,000) held by Kasikorn Bank, pledged as collateral to guarantee the bank overdraft facilities described in note 7, \$42,959 (฿1,361,200) pledged to cover the letter of guarantee related to equipment capital leases (note 5) and \$15,780 (฿500,000) for the guarantee of electricity usage from Metropolitan Electricity Authority (Thailand).

7 Bank indebtedness

		\$
J.S.N. Jewellery Inc.		
a) Operating facility CAD3,000,000		2,793,900
J.S.N. Jewellery UK Limited		
b) Bank overdraft facility £500,000	£281,251	440,016
c) Invoice discounting agreement	£3,948,728	6,177,785
Utopia Jewellery Ltd.		
d) Bank overdraft facility of ฿12,000,000	฿8,186,262	258,361
e) Bank overdraft facility of ฿28,000,000	฿27,134,547	856,374
f) Promissory note of ฿25,000,000	฿24,930,000	786,797
		<u>11,313,233</u>

- a) Royal Bank of Canada operating line secured by a general security agreement in respect of J.S.N. Jewellery Inc., guarantees and postponement of claims by the shareholder and postponement and assignment of claim by a company controlled by the shareholder.
- b) National Westminster Bank overdraft facility secured by a £450,000 personal guarantee from the shareholder and a £950,000 personal guarantee from the managing director of J.S.N. Jewellery UK Limited as well as a debenture dated October 16, 2000. The facility is also secured by a fixed and floating charge over the assets of J.S.N. Jewellery UK Limited.
- c) Royal Bank of Scotland invoice discounting agreement secured by a fixed and floating charge over the assets of J.S.N. Jewellery UK Limited. The interest rate is charged at the sterling base rate plus 2%.
- d) Kasikorn Bank overdraft facility guaranteed by a director of Utopia Jewellery Ltd. and restricted deposits aggregating ฿3,000,000.
- e) Bangkok Bank overdraft facility is secured by mortgages on property owned by a Director of Utopia Jewellery Ltd. and his wife and the personal guarantees of the Director and his wife of ฿18,000,000 and ฿6,000,000, respectively.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

- f) Bangkok Bank promissory note guaranteed by a director of Utopia Jewellery Ltd. and a restricted deposit of \$10,000,000.

8 Government remittances

Government remittances consist of amounts (such as property taxes, sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$769,763 is included within accounts payable and accrued liabilities.

9 Income taxes

The income tax provision recorded differs from the income taxes obtained by applying the statutory income tax rate of 24.54% to the income for the year and is reconciled as follows:

	\$
Income before taxes	4,804,248
Income tax expense at the statutory income tax rate	1,178,870
Increase (decrease) resulting from:	
Non-deductible expenses	134,800
Capital allowances	(4,080)
Amortization in excess of capital allowances	15,352
Effect income tax expense	1,324,942

10 Share capital

Equity in net assets as presented on the combined balance sheet includes the share capital of the legal entities in the Jewellery Group.

Authorized

J.S.N. Jewellery Inc. - Unlimited common shares
GMJ Corporation - 3000 common shares
J.S.N. Jewellery UK Limited - 50 ordinary "B" shares
J.S.N. Jewellery UK Limited - 50 ordinary "C" shares
Utopia Jewellery Ltd. - 500,000 ordinary shares

Issued

	\$
J.S.N. Jewellery Inc. - 200 common shares	200
J.S.N. Jewellery UK Limited - 50 ordinary "B" shares	102
J.S.N. Jewellery UK Limited - 50 ordinary "C" shares	102
GMJ Corporation - 100 common shares	98
Utopia Jewellery Ltd. - 500,000 ordinary shares	1,633,593
	1,634,095

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

11 Related party transactions

During the year, the following related party transactions occurred:

- a) The Group paid management fees to a company owned by the shareholder amounting to \$600,000.
- b) The Group sold finished goods to a company owned by a member of the immediate family of the shareholder, representing net sales of \$2,851,748.
- c) The Group sold finished goods to a company owned by the shareholder, representing net sales of \$1,732,039.
- d) J.S.N. Jewellery UK Limited paid dividends aggregating \$175,315 (£110,026) to its managing director and his spouse.
- e) The Group purchased raw materials and services from companies owned by the shareholder amounting to \$6,585,100 and \$78,690, respectively.

These transactions are in the normal course of operations and have been valued in these combined financial statements using the exchange amount, which is the amount of consideration established and agreed upon by the respective parties.

Included in accounts receivable is \$462,382 owed from a company owned by an immediate family member.

Included in accounts payable and accrued liabilities are amounts of \$4,775,163 (£151,304,289) and \$372,307 owed to companies under common control and \$181,228 (£115,838) due to the managing director of J.S.N. Jewellery UK Limited.

Also included in accounts payable and accrued liabilities are \$568,221 (£18,004,317) due to a director of Utopia Jewellery Ltd.

Included in equity in net assets are loans receivable of \$3,280,166 due from companies under common control and \$627,365 (£400,878) due from a company owned by the managing director of J.S.N. Jewellery UK Limited. These loans are non-interest bearing and have no specific repayment terms. Subsequent to year-end, the amount owing from the company owned by the managing director of J.S.N. Jewellery UK Limited was repaid in full.

Included in equity in net assets are amounts due to the shareholder of the Group, which are unsecured, bear no interest and have no specific repayment terms. There is no intention to demand payment in the next fiscal year.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

12 Cost of sales

Included in the cost of sales for the year is amortization of \$98,754.

13 Financial instruments

Credit risk

The Group, in the normal course of business, is exposed to credit risk from its customers, substantially all of which are jewellery retailers. The Group performs ongoing credit evaluations of new and existing customers' financial condition and reviews the collectibility of its trade and other receivables and credit limits in order to mitigate credit risk. Approximately 54% of the accounts receivable represents amounts due from two non-related party customers. Net sales to these two customers approximate 35% of sales for the year ended August 31, 2012.

As at August 31, 2012, the Group believes that the allowance for doubtful accounts sufficiently covers any credit risks related to past due or impaired accounts receivable balances.

Interest rate risk

The Group is exposed to interest rate risk because the various credit facilities bear interest at fluctuating rates.

Foreign currency risk

The Group's sales are denominated in Canadian and US dollars and GBP, while raw material purchases are predominately denominated in US dollars. Thus, the Group is exposed to foreign currency risk due to foreign exchange rate fluctuations.

The Group uses derivative financial instruments including forward contracts to manage exposures to foreign currency. The Group does not use derivative financial instruments for trading or speculative purposes.

Derivative instruments are recorded at fair value with changes in fair value recognized in income. Fair value is calculated based on forward exchange rates at year-end. Changes in fair value of derivatives are included in foreign exchange gain/loss in the combined statement of income and equity in net assets. The fair value of derivatives is included in accounts payable and accrued liabilities in the combined balance sheet as at year-end.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

14 Supplementary cash flow information

	\$
Accounts receivable	4,874,633
Inventories	2,715,525
Prepaid expenses and other assets	(648,899)
Accounts payable and accrued liabilities	(8,040,524)
Income taxes payable	<u>1,071,204</u>
Net change in non-cash working capital items	<u>(28,061)</u>

Non-cash transaction

	\$
Property, plant and equipment acquired and financed by capital leases	<u>165,051</u>

15 Commitments and contingencies

The Group is involved in certain legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material adverse effect on the Group's combined financial position, results of operations or cash flows.

The Group has entered into operating leases for the rental of buildings and vehicles as follows:

- a) Canadian head office and manufacturing facility to April 30, 2013, rent payable monthly at \$10,478, excluding taxes;
- b) UK head office to March 31, 2015 at £24,840 per annum, including taxes. Minimum payments payable in future years are as follows:

	\$
2013	39,580
2014	39,580
2015	<u>23,090</u>
	<u>102,250</u>

J.S.N. Jewellery Group

Notes to Combined Financial Statements

August 31, 2012

(expressed in Canadian dollars, unless otherwise stated)

- c) vehicle leases with minimum payments payable in the future as follows:

	\$
2013	104,016
2014	48,362
2015	<u>30,323</u>
	<u>182,701</u>

- d) Utopia Jewellery Ltd.'s buildings leases with minimum payments payable in the future as follows:

	\$
2013	80,287
2014	91,005
2015	91,038
2016	94,816
2017	99,331
Thereafter	<u>148,997</u>
	<u>605,474</u>

J.S.N. Jewellery Inc. is also a guarantor for a vehicle and equipment leased under operating and capital leases by a company owned by the shareholder. The total amount guaranteed as at August 31, 2012 is \$1,720,875, reducing over the term of the lease.

APPENDIX "P"

J.S.N. Jewellery Group

Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless
otherwise stated)



December 23, 2014

Independent Auditor's Report

**To the Shareholder of
J.S.N. Jewellery Group**

We have audited the accompanying combined financial statements of J.S.N. Jewellery Group, a carve-out of the J.S.N. group of companies as described in note 1 of the combined financial statements, which comprise the combined balance sheet as at March 31, 2014 and the combined statements of income and equity in net assets and cash flows for the nineteen month period then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers LLP
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PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Opinion**

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of J.S.N. Jewellery Group, a carve-out of the J.S.N. group of companies as described in note 1 of the combined financial statements, as at March 31, 2014 and the results of its operations and its cash flows for the nineteen month period then ended in accordance with Canadian accounting standards for private enterprises.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

J.S.N. Jewellery Group

Combined Balance Sheet

(expressed in Canadian dollars, unless otherwise stated)

	March 31, 2014 \$	August 31, 2012 \$
Assets		
Current assets		
Cash	636,781	1,280,501
Accounts receivable (notes 4 and 15)	35,380,155	16,331,901
Income tax recoverable	558,250	-
Inventories (note 5)	77,926,284	36,109,277
Prepaid expenses and other assets	4,823,857	984,154
Restricted cash (note 8)	3,541,540	588,638
	122,866,867	55,294,471
Deferred costs (note 13)	3,022,526	-
Property and equipment (note 6)	13,894,375	784,494
Intangible assets (note 7)	14,037,659	-
Goodwill (note 3)	2,995,548	-
Total Assets	156,816,975	56,078,965
Liabilities		
Current liabilities		
Bank indebtedness (note 9)	47,803,241	11,313,233
Accounts payable and accrued liabilities (notes 10 and 15)	44,905,911	15,605,185
Income taxes payable (note 11)	2,078,096	1,291,834
Other liabilities (note 12)	318,922	-
Deferred service plan revenue	577,903	-
Obligations under capital leases (note 19)	1,204,621	-
Long-term debt (note 13)	2,175,000	-
	99,063,694	28,210,252
Other liabilities (note 12)	158,560	-
Deferred service plan revenue	447,634	-
Unfavourable off-market leases	121,300	-
Long-term debt (note 13)	16,475,000	-
Obligations under capital leases (note 19)	2,098,569	-
Total Liabilities	118,364,757	28,210,252
Equity in Net Assets	38,452,218	27,868,713
Total Liabilities and Equity in Net Assets	156,816,975	56,078,965

Commitments and contingencies (note 19)

Approved by the Sole Shareholder

The accompanying notes are an integral part of these combined financial statements.

J.S.N. Jewellery Group

Combined Statement of Income and Equity in Net Assets

(expressed in Canadian dollars, unless otherwise stated)

	Nineteen-month period ended March 31, 2014 \$	Year ended August 31, 2012 \$
Sales (note 15)	162,495,335	62,035,758
Cost of sales (notes 15 and 16)	105,501,367	48,610,005
	<u>56,993,968</u>	<u>13,425,753</u>
Expenses		
Selling, general and administrative (note 15)	43,744,310	8,266,731
Amortization of property and equipment and intangible assets	2,873,757	246,608
Foreign exchange gain	(490,344)	(455,058)
Interest	5,502,232	563,224
	<u>51,629,955</u>	<u>8,621,505</u>
Income before taxes	5,364,013	4,804,248
Provision for income taxes (note 11)	1,806,165	1,324,942
Net income for the period	3,557,848	3,479,306
Equity in net assets - Beginning of period	27,868,713	29,344,573
Movement in equity in net assets	7,025,657	(4,955,166)
Equity in net assets - End of period	<u>38,452,218</u>	<u>27,868,713</u>

The accompanying notes are an integral part of these combined financial statements.

J.S.N. Jewellery Group

Combined Statement of Cash Flows

(expressed in Canadian dollars, unless otherwise stated)

	Nineteen-month period ended March 31, 2014 \$	Year ended August 31, 2012 \$
Cash provided by (used in)		
Operating activities		
Net income for the period	3,557,847	3,479,306
Items not affecting cash		
Amortization	3,977,104	345,362
Unrealized foreign exchange (gain) loss	(483,146)	290,278
(Gain) loss on sale of property and equipment	54,729	(10,696)
Writedown of accounts receivable	9,501	30,000
Non-cash rent	179,000	-
	<u>7,295,036</u>	<u>4,134,250</u>
Net change in non-cash working capital items (note 18)	<u>(4,977,364)</u>	<u>(28,061)</u>
	<u>2,317,672</u>	<u>4,106,189</u>
Investing activities		
Purchase of property and equipment	(2,664,768)	(110,749)
Purchase of intangible assets	(43,436)	-
Proceeds from sale of property and equipment	50,886	-
Increase in restricted deposits	(2,794,196)	(306,528)
Acquisition of business (note 3)	(44,444,562)	-
	<u>(49,896,076)</u>	<u>(417,277)</u>
Financing activities		
Increase in bank indebtedness - net	28,474,142	2,149,066
Proceeds from long-term debt (note 13)	20,000,000	-
Proceeds from other liabilities	574,283	-
Payment of financing costs	(3,946,717)	-
Repayment of obligations under capital leases	(1,358,085)	-
Repayment of long-term debt	(1,350,000)	-
Repayment of other liabilities	(2,528,082)	-
Distributions	(208,290)	(175,316)
Movement in equity in net assets	7,233,947	(4,779,850)
	<u>46,891,198</u>	<u>(2,806,100)</u>
Effect of exchange rate changes on cash	<u>43,486</u>	<u>(12,052)</u>
Net change in cash during the period	<u>(643,720)</u>	<u>870,760</u>
Cash - Beginning of period	<u>1,280,501</u>	<u>409,741</u>
Cash - End of period	<u>636,781</u>	<u>1,280,501</u>

The accompanying notes are an integral part of these combined financial statements.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

1 Business operations and basis of presentation

The combined financial statements of J.S.N. Jewellery Group have been prepared on a carve-out basis from the combined financial statements of J.S.N. Jewellery Inc. and its subsidiaries J.S.N. Jewellery UK Limited, 2373138 Ontario Inc. and Ben Moss Jewellers Western Canada Ltd., and GMJ Corporation and Utopia Jewellery Ltd. (the Jewellery Group or the Group).

Because the Jewellery Group was a part of a group of companies under common control, these combined financial statements depict the equity in net assets representing the amounts associated specifically with the Jewellery Group.

The Jewellery Group is not a legal entity and is composed of a 100% interest of the following legal entities:

- J.S.N. Jewellery Inc.
- GMJ Corporation
- J.S.N. Jewellery UK Limited
- Utopia Jewellery Ltd.
- 2373138 Ontario Inc.
- Ben Moss Jewellers Western Canada Ltd. (note 3)

All amounts have been derived from accounting information specific to the above legal entities.

These combined financial statements reflect the combined financial position, results of operations and cash flows of the Group. The assets, liabilities, revenues and expenses of the Group have been added together to determine the amounts included in these combined financial statements. Intercompany sales, expenses and receivables and payables between the entities in the Group have been eliminated. These combined financial statements may not necessarily reflect the results of operations, financial position, changes in equity and cash flows of the Jewellery Group in the future or what they would have been had it been a separate, stand-alone entity during the period presented.

The Jewellery Group is a vertically integrated designer, manufacturer, wholesaler and retailer of jewellery. The Group's primary wholesale markets are in Canada, the United States and the United Kingdom and the Group's retail operations are in Canada. The Jewellery Group's manufacturing facilities are located in Thailand and Ontario, Canada.

Basis of preparation

These combined financial statements have been prepared using Canadian accounting standards for private enterprises (ASPE) as issued by the Canadian Accounting Standards Board, which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada and includes the significant accounting policies described hereafter.

During the reporting period, the Group amended the fiscal year-end date to March 31 and therefore these combined financial statements cover the 19-month period from September 1, 2012 to March 31, 2014.

J.S.N. Jewellery Group
Notes to Combined Financial Statements
March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

2 Summary of significant accounting policies

Business combinations

Business combinations are accounted for using the acquisition method, whereby identifiable assets acquired and liabilities assumed, including contingent liabilities, are recorded at 100% of their acquisition date fair values. The Group recognizes the fair value of contingent consideration relating to its business acquisitions at the date of acquisition. The acquisition date is the date the Group acquires control over the acquiree. The Group considers all relevant facts and circumstances in determining the acquisition date.

Acquisition related costs, other than costs to issue debt or equity securities of the Group, including investment banking fees, legal fees, accounting fees, valuation fees and other professional or consulting fees, are expensed as incurred.

The excess of the cost of the acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets acquired the difference is recognized in the combined statement of income and net equity in assets.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports in its combined financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group will retroactively adjust the provisional amounts recognized at the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The maximum length of the time for the measurement period is one year from the acquisition date.

Revenue recognition

Revenue includes sales of merchandise, service plans, repair services and gift cards to customers through stores operated by the Group and sales of product to third party retailers and distributors. Revenue is measured at the fair value of consideration received net of sales tax, returns and discounts.

Retail

Sales of merchandise and services for repair work to customers through stores operated by the Group are recognized when the significant risks and rewards of ownership have been transferred to the buyer, which is the time the customer tenders payment for and takes possession of the merchandise. Return allowances are estimated using actual experience under the retail operations 30-day right of refund policy.

The Group offers a lifetime service plan under which the Group offers future repair services to customers based on the type of plan purchased. The Group recognizes revenue over a three-year period in relation to its historical experience of providing related service. Until recognized, amounts are recorded as deferred service plan revenue.

Revenues on gift cards sold to customers are recognized at the time of redemption.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as principal in all of its revenue arrangements, except for cash for gold transactions which are recognized on a net basis. In these revenue arrangements, the Group is not primarily responsible for providing the goods to the customer, does not retain any inventory risk, has little to no latitude in establishing prices and does not bear any of the credit risk. As such, the Group is acting as an agent for sales of this nature and therefore only commission fees are recorded upon general revenue recognition criteria being met.

Wholesale

Sales to distributors and third party retailers are recognized when persuasive evidence of an arrangement exists, usually when the product is shipped to customers and the sale price is fixed or determinable and collectibility is reasonably assured.

Revenue for the sale of consignment inventory is recognized when the customer sells the product and notifies the Group of the sale.

Provisions for rebates, calculated based on contractual agreements, are recognized in the same period the related sales are recorded.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and highly liquid short-term investments with original maturities at the date of acquisition of 90 days or less, recorded at fair value and not subject to withdrawal restrictions.

Inventories

Raw materials are valued at the lower of cost and net realizable value. Work-in-process and finished goods are valued at the lower of cost, with cost being determined on a weighted average basis, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Work-in-process and finished goods include the cost of raw materials, labour and manufacturing overhead. Inventories are written down to net realizable value when the cost of inventories is estimated to be greater than the anticipated selling price less a provision for normal selling costs.

J.S.N. Jewellery Group
Notes to Combined Financial Statements
March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the assets' estimated useful lives using the following annual rates:

Equipment and tools	10% - 40%
Office furniture and fixtures	10% - 40%
Office leasehold improvements	15% - 40%
Computer hardware	15% - 30%
Vehicles	20% - 30%
Store furniture and fixtures	straight-line over term of lease
Store leasehold improvements	straight-line over term of lease

Equipment under capital lease is amortized on a basis that is consistent with the amortization policy of other similar capital assets as noted above.

Intangible assets

Intangible assets, except for those not subject to amortization, are recorded at cost less accumulated amortization. Amortization is being provided for over the estimated useful life as follows:

Computer software	5 years straight-line
Computer software under capital lease	straight-line over term of lease
Customer marketing list	5 years straight-line
Off-market leases	straight-line over remaining term of lease

The Group has an intangible asset related to its brand name which is considered to have an indefinite life and therefore is not amortized.

Impairment

Long-lived amortizing assets

Capital assets and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a writedown of the asset and a charge to income during the period. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

J.S.N. Jewellery Group
Notes to Combined Financial Statements
March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

Indefinite life intangible assets

The brand name intangible asset is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed its fair value. Impairment is assessed by comparing the carrying amount of the intangible asset with its fair value, generally determined on a discounted cash flow basis. When the carrying amount of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to the excess. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

Goodwill

Goodwill is not amortized but is instead tested for impairment if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the reporting unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognized, up to a maximum amount of the recorded goodwill related to the reporting unit. Goodwill impairment losses are not reversed.

Financial assets measured at cost and amortized cost

When there are indications of possible impairment, the Group determines if there has been a significant adverse change to the expected timing or amount of future cash flows expected from the financial asset. The amount of any impairment loss is determined by comparing the carrying amount of the financial asset with the highest of three amounts:

- i) the present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to that asset;
- ii) the amount that could be realized by selling the asset at the date of the balance sheet; and,
- iii) the amount expected to be realized by exercising the Group's rights to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

Reversals are permitted, but the adjusted carrying amount of the financial asset shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

Leases

Long-term lease agreements for furniture and fixtures, computer equipment and electronic cash registers, which transfer substantially all the benefits and risks associated with ownership, are classified as capital leases and recorded as an asset and an obligation based on the present value of future minimum lease payments discounted at interest rates implicit in the lease agreements. The assets are amortized over their estimated useful lives and the obligations, including interest thereon, are repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

Favourable and unfavourable off-market leases represent the fair value of lease rights as established on the acquisition date and are amortized on a straight-line basis over the remaining term of the respective lease.

Deferred lease inducements

Deferred lease inducements represent benefits secured upon signing leases on new premises. They are amortized on a straight-line basis over the terms of the respective leases.

Income taxes

The Group uses the income taxes payable method of accounting for income taxes. Under this method of accounting, the Group records as an expense or income only the cost or benefit of current income taxes for that period, determined in accordance with the rules established by the taxation authorities in the relevant jurisdictions in which it operates.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the combined balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates. Sales and expenses are translated at the average exchange rates prevailing during the period. Realized and unrealized gains and losses are included in the combined statement of income and equity in net assets.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value.

All other financial instruments are subsequently recorded at cost or amortized cost. The Group records cash, accounts receivable, accounts payable and accrued liabilities, bank indebtedness, obligations under capital leases and long-term debt at amortized cost, less any impairment. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

As at August 31, 2012, J.S.N. Jewellery UK Limited was committed, under a foreign exchange derivative contract, to buy USD46,800,000 and sell pound sterling (GBP) between September 26, 2012 and August 27, 2014. Under the terms of the contract, the Group is committed to buying USD1,300,000 or USD1,950,000 if the spot rate is either below or above USD1.6475, respectively. In the months where the spot rate is below USD1.6475 the Group was committed to selling GBP at USD1.6475 for that month. The contract was cancelled

J.S.N. Jewellery Group
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(expressed in Canadian dollars, unless otherwise stated)

on July 18, 2013 and the loss was recorded through foreign exchange gain/loss in the combined statement of income and equity in net assets.

There were no foreign exchange contracts outstanding at March 31, 2014.

Measurement uncertainty

The preparation of combined financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the period. Actual future results could differ from those estimates.

The estimated fair values of financial assets, liabilities and derivative instruments by their nature are subject to measurement uncertainty.

Tax interpretations, regulations and legislation and the interpretations thereof in the various jurisdictions in which the Group operates are subject to change. As such, income and other taxes are subject to measurement uncertainty.

The Group's lifetime service plan is an area where management has made significant assumptions that would result in a material adjustment to the carrying amount of the deferred service plan revenue, in the event that actual results of customer claims differs from assumptions made. The current estimates and related assumptions are based on previous experience to date.

3 Business acquisitions

Effective July 18, 2013, the Group acquired through its wholly owned subsidiaries, all of the outstanding shares of Ben Moss Jewellers Western Canada Ltd., Marsid Holdings Inc., 477070 Manitoba Limited, 4770677 Manitoba Limited and 4770723 Manitoba Limited. Simultaneously, an amalgamation occurred with the acquiring company to form a new organization operating under the continued legal name of Ben Moss Jewellers Western Canada Ltd. The acquisition was accounted for as a business combination.

J.S.N. Jewellery Group
Notes to Combined Financial Statements
March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

The fair value of identifiable net assets acquired is summarized as follows:

	\$
Assets acquired	
Accounts receivable	454,116
Income tax recoverable	558,250
Inventories	35,770,443
Prepaid expenses	1,430,538
Property and equipment	12,804,487
Intangible assets	<u>14,676,313</u>
	<u>65,694,147</u>
Liabilities assumed	
Bank indebtedness	7,492,252
Accounts payable and accrued liabilities	8,751,111
Income taxes payable	67,066
Deferred service plan revenue	699,148
Capital leases	4,890,701
Notes payable	2,201,855
Unfavourable off-market leases	<u>143,000</u>
	<u>24,245,133</u>
Net assets acquired	<u>41,449,014</u>
Consideration	
Cash paid	<u>43,944,562</u>
Unpaid	<u>500,000</u>
Goodwill	<u>2,995,548</u>

The allocation of the consideration transferred to acquired assets and assumed liabilities and the calculation of the final purchase price were calculated utilizing information available at the time these financial statements were prepared. The final allocation of the consideration transferred may change as more information becomes available. If initial accounting for the business combination has not been completed by the end of the reporting period in which the business combination occurs, provisional amounts will be reported for which the accounting is incomplete, with retrospective adjustment made to such provisional amounts during the measurement period to present new information about facts and circumstances that existed as of the acquisition date. Once the measurement period ends, and in no case beyond one year from the acquisition date, subsequent revisions of the accounting for the business combination will only be accounted for as correction of an error.

The measurement period for the acquisition concluded on July 18, 2014.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

4 Accounts receivable

	March 31, 2014 \$	August 31, 2012 \$
Trade accounts	35,615,681	16,581,687
Less: Allowance for doubtful accounts	235,526	249,786
	<u>35,380,155</u>	<u>16,331,901</u>

5 Inventories

	March 31, 2014 \$	August 31, 2012 \$
Raw materials	12,468,778	16,578,465
Work-in-process	1,037,225	2,656,624
Finished goods	64,420,281	16,874,188
	<u>77,926,284</u>	<u>36,109,277</u>

6 Property and equipment

	March 31, 2014		
	Cost \$	Accumulated amortization \$	Net \$
Equipment and tools	3,481,409	2,690,133	791,276
Furniture and fixtures	6,935,521	1,828,999	5,106,522
Office leasehold improvements	5,275,124	979,093	4,296,031
Computer hardware	686,125	390,699	295,426
Vehicles	330,623	166,765	163,858
Equipment under capital lease	3,435,640	194,378	3,241,262
	<u>20,144,442</u>	<u>6,250,067</u>	<u>13,894,375</u>

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

	August 31, 2012		
	Cost \$	Accumulated amortization \$	Net \$
Equipment and tools	2,603,731	2,299,584	304,147
Furniture and fixtures	1,120,060	798,927	321,133
Office leasehold improvements	217,963	216,127	1,836
Computer hardware	313,675	294,429	19,246
Vehicles	266,542	128,410	138,132
	4,521,971	3,737,477	784,494

7 Intangible assets

	March 31, 2014		
	Cost \$	Accumulated amortization \$	Net \$
Computer software	1,064,541	764,600	299,941
Computer software under capital lease	897,686	221,984	675,702
Customer marketing list	800,000	113,333	686,667
Favourable off-market leases	3,569,713	294,364	3,275,349
Brand name	9,100,000	-	9,100,000
	15,431,940	1,394,281	14,037,659

	August 31, 2012		
	Cost \$	Accumulated amortization \$	Net \$
Computer software	692,281	692,281	-

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

8 Restricted cash

Restricted cash is comprised of cash and term deposits that are held as collateral to third parties in support of normal course operating activities and cash receipts deposited to bank accounts which are under the dominion of the Group lender under the Credit Agreement (refer to note 13). The composition of restricted cash is as follows:

	March 31, 2014 \$	August 31, 2012 \$
Cash and term deposits held in Thailand as collateral for credit facilities and utilities	586,500	588,638
Cash held in operating account in the UK as collateral for government remittances	16,616	-
Term deposit held as collateral for corporate credit cards	100,000	-
Cash held in deposit accounts under the dominion of the Lender	2,838,424	-
	<u>3,541,540</u>	<u>588,638</u>

9 Bank indebtedness

	March 31, 2014 \$	August 31, 2012 \$
J.S.N. Jewellery Inc.		
a) Committed revolving loan (note 13)	44,923,187	-
b) Canadian operating facility	-	2,793,900
J.S.N. Jewellery UK Limited		
c) Bank overdraft facility	-	440,016
d) Invoice discounting agreement	-	6,177,785
Utopia Jewellery Ltd.		
e) Kasikorn Bank facility	1,075,398	258,361
f) Bangkok Bank overdraft facility	454,656	856,374
g) Bangkok Bank packing credit facility	850,000	786,797
	<u>47,303,241</u>	<u>11,313,233</u>

- a) Committed revolving loan facility up to \$50 million under the Credit Agreement described in note 13. The revolving loan can be drawn in Canadian and/or US dollars from time to time up to an aggregate of \$50 million based on 90% of the face amount of eligible receivables and 95% of eligible inventory at appraised value, net of availability reserves set by the Lender. Canadian dollar advances under the revolver bear interest at Bank of Canada prime rate plus 3.5% and US advances bear interest at US prime plus 3.5%. The revolving facility is also subject to a commitment fee of 0.675% per annum. The interest and unused line fee is paid monthly in arrears.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

- b) Royal Bank of Canada operating line secured by a general security agreement in respect of J.S.N. Jewellery Inc., guarantees and postponement of claims by the shareholder and postponement and assignment of claim by a company controlled by the shareholder. The facility was fully repaid and security discharged on July 18, 2013.
- c) National Westminster Bank overdraft facility secured by a £450,000 personal guarantee from the shareholder and a £950,000 personal guarantee from the managing director of J.S.N. Jewellery UK Limited, a debenture dated October 16, 2000 and a fixed and floating charge over the assets of J.S.N. Jewellery UK Limited. The facility was fully repaid and security discharged on July 18, 2013.
- d) Royal Bank of Scotland invoice discounting agreement secured by a fixed and floating charge over the assets of J.S.N. Jewellery UK Limited. The interest rate is charged at the sterling base rate plus 2%. The facility was fully repaid and security discharged on July 18, 2013.
- e) Kasikorn Bank overdraft facility of β12 million and packing credit facility of β30 million guaranteed by a director of Utopia Jewellery Ltd., restricted deposits aggregating β3 million and a block of β10 million from the overdraft facility.
- f) Bangkok Bank overdraft facility of β28 million is secured by mortgages on property owned by a Director of Utopia Jewellery Ltd. and his wife and the personal guarantees of the Director and his wife of β18 million and β6 million, respectively.
- g) Bangkok Bank packing credit facility promissory note of β28 million is guaranteed by a director of Utopia Jewellery Ltd. and a restricted deposit of β10 million.

10 Government remittances

Government remittances consist of amounts (such as property taxes, sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$2,231,377 (2012 - \$769,763) is included in accounts payable and accrued liabilities.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

11 Income taxes

The income tax provision recorded differs from the income taxes obtained by applying the statutory income tax rate of 22.57% (2012 - 24.54%) to the income for the year and is reconciled as follows:

	March 31, 2014 \$	August 31, 2012 \$
Income before taxes	5,364,013	4,804,248
Income tax expense at the statutory income tax rate	1,210,517	1,178,870
Increase (decrease) resulting from:		
Non-deductible expenses	320,901	134,800
Capital allowances	(2,489)	(4,080)
Amortization in excess of capital allowances	272,554	15,352
Non-capital loss applied	(255,141)	-
Reversal of prior period provision	(325,000)	-
Intercompany profit elimination	728,009	-
Foreign currency translation adjustments	(123,396)	-
Other	(19,790)	-
Effective income tax expense	1,806,165	1,324,942

The Group has a balance of non-capital losses available to be carried forward to future tax years in the amount of approximately \$1,025,000 which expire in 2033. The Group has not recorded a future tax asset related to carryforward balance of non-capital losses in these combined financial statements.

12 Other liabilities

	March 31, 2014 \$	August 31, 2012 \$
Loan payable (a)	100,898	-
Due to related parties (b)	376,584	-
	477,482	-
Current portion	318,922	-
	158,560	-

- a) National Capital Leasing Loan is secured by certain store fixtures and equipment, bears interest at 7.851% and is repayable in blended monthly payments to maturity on September 10, 2014.
- b) Promissory note due to companies owned by the former shareholders of Ben Moss Jewellers Western Canada Ltd. (note 15). The note is unsecured and repayable in blended monthly payments to maturity on September 17, 2016.

J.S.N. Jewellery Group
Notes to Combined Financial Statements
March 31, 2014

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Repayments of the other liabilities are as follows:

	\$
2015	318,922
2016	110,313
2017	<u>48,247</u>
	<u>477,482</u>

13 Credit facility

The Group's long-term debt outstanding is presented as follows:

	March 31, 2014 \$
Term A loan	6,625,000
Term B loan	<u>12,025,000</u>
Long-term debt	18,650,000
Less: Current portion	<u>2,175,000</u>
Long-term debt - non-current	<u>16,475,000</u>

On July 18, 2013, J.S.N. Jewellery Inc., its subsidiaries and GMJ Corporation (the Borrowers) entered into a Credit Agreement (the Credit Agreement) with Salus Capital Partners, LLC, as administrative agent and collateral agent (the Lender). The obligations of the borrowers under the Credit Agreement are joint and several.

The Credit Agreement provides for an aggregate maximum \$70 million senior credit facility, comprised of a committed revolving loan of \$50 million (note 9), a Term A loan of \$7 million and a Term B loan of \$13 million. The Borrowers pledged all present and future property and undertakings.

The Credit Agreement requires monthly interest payments in arrears and quarterly principal payments on the term loans, which commenced on September 30, 2013. Maturity of the facilities under the Credit Agreement is July 18, 2016. The interest rate on the term loans is Royal Bank of Canada prime rate plus 7.75% and 9.75%, on the Term A and B loans, respectively.

Costs associated with obtaining the Credit Facility of \$3,946,717 are being amortized on a straight-line basis over the term of the Credit Agreement. Interest expense in the period includes amortization of deferred financing costs of \$924,191.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

Repayments of the long-term debt are as follows:

	\$
2015	2,175,000
2016	2,787,500
2017	<u>13,687,500</u>
	<u>18,650,000</u>

The Credit Agreement grants the Lender a security interest over all assets of J.S.N. Jewellery Inc., Ben Moss Jewellers Western Canada Ltd., GMJ Corporation and J.S.N. Jewellery UK Limited. The credit facilities are also subject to customary terms and conditions, including limits on incurring additional indebtedness, payments relating to other indebtedness, granting liens or selling certain assets without the consent of the lenders.

14 Share capital

Equity in net assets as presented on the combined balance sheet includes the share capital of the legal entities in the Jewellery Group.

Authorized

J.S.N. Jewellery Inc. - Unlimited common shares
GMJ Corporation - 3,000 common shares
J.S.N. Jewellery UK Limited - 50 ordinary "B" shares
J.S.N. Jewellery UK Limited - 50 ordinary "C" shares
Utopia Jewellery Ltd. - 500,000 ordinary shares

Issued

	March 31, 2014 \$	August 31, 2012 \$
J.S.N. Jewellery Inc. - 200 common shares	200	200
J.S.N. Jewellery UK Limited - 50 ordinary B shares	102	102
J.S.N. Jewellery UK Limited - 50 ordinary C shares	102	102
GMJ Corporation - 100 common shares	98	98
Utopia Jewellery Ltd. - 500,000 ordinary shares	<u>1,633,593</u>	<u>1,633,593</u>
	<u>1,634,095</u>	<u>1,634,095</u>

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

15 Related party transactions

The Group enters into transactions with companies controlled by the shareholder and his immediate family members and directors and key management personnel. A summary of the transactions and balances is as follows:

	March 31, 2014 \$	August 31, 2012 \$
Companies under common control		
Management fees	1,638,971	600,000
Purchases of diamonds and gold	20,584,478	6,585,100
Purchases of finished goods	490,972	-
Purchases of services	354,339	78,690
Sales of finished goods	2,582,728	1,732,039
Commissions earned	185,576	-
Companies owned by a member of the immediate family of the shareholder		
Sale of finished goods, net of returns	11,312,672	2,851,748
Company owned by the President and Director of a wholly owned subsidiary		
Management services fees	300,011	-
Interest expense	11,338	-

J.S.N. Jewellery UK Limited paid dividends aggregating \$208,290 (2012 - \$175,315) to its managing director and his spouse.

These transactions are in the normal course of operations and have been valued in these combined financial statements using the exchange amount, which is the amount of consideration established and agreed upon by the respective parties.

Included in accounts receivable is \$3,157,450 (2012 - \$462,382) owed from a company owned by an immediate family member.

Included in accounts payable and accrued liabilities are amounts of \$13,992,475 (2012 - \$5,147,470) owed to companies under common control.

Included in accounts receivable is \$14,418,526 (2012 - \$nil) due from companies under common control.

Included in accounts payable and accrued liabilities is \$1,494,212 (2012 - \$181,228) due to the managing director of J.S.N. Jewellery UK Limited and \$255,000 (2012 - \$nil) due to a company owned by a director of a wholly owned subsidiary. Included in accounts receivable is \$1,150,465 due from a director of Utopia Jewellery Ltd. At August 31, 2012 accounts payable and accrued liabilities included \$568,221 due to a director of Utopia Jewellery Ltd.

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

Included in equity in net assets are loans receivable of \$1,905,015 (2012 - \$1,293,095) due from and \$1,093,647 (2012 - \$1,093,647) due to companies under common control. These loans are non-interest bearing and have no specific repayment terms.

Included in equity in net assets are amounts due to the shareholder of the Group, which are unsecured, bear no interest and have no specific repayment terms. Due to shareholder is postponed to the Group's Credit Facility.

16 Cost of sales

Included in the cost of sales for the year is amortization of \$179,000 (2012 - \$98,754).

17 Financial instruments

Credit risk

The Group, in the normal course of business, is exposed to credit risk from its wholesale customers, substantially all of which are jewellery retailers. The Group performs ongoing credit evaluations of new and existing customers' financial condition and reviews the collectibility of its trade and other receivables and credit limits in order to mitigate credit risk. Approximately 15% of accounts receivable represents amounts due from one non-related party customer. Net sales to this customer are approximately 16% of net sales for the period.

As at March 31, 2014, the Group believes that the allowance for doubtful accounts sufficiently covers any credit risks related to past due or impaired accounts receivable balances.

Interest rate risk

The Group is exposed to interest rate risk because the various credit facilities bear interest at fluctuating rates.

Foreign currency risk

The Group's sales are denominated in Canadian and US dollars and GBP, while inventory purchases are predominantly denominated in US dollars. Thus, the Group is exposed to foreign currency risk due to foreign exchange rate fluctuations.

Liquidity risk

Liquidity risk is the risk the Group will not be able to meet its obligations as they fall due. The Group's objective is to maintain sufficient liquidity to meet its financial liabilities as they come due and remain compliant with the financial covenants of the Credit Facility. The Group manages liquidity risk through various means including monitoring cash balances and planned cash flows generated from operations and used for investing in capital assets (refer to note 13).

J.S.N. Jewellery Group
Notes to Combined Financial Statements
March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

18 Supplementary cash flow information

	March 31, 2014 \$	August 31, 2012 \$
Accounts receivable	(16,937,502)	4,874,633
Inventories	(6,046,564)	2,715,525
Prepaid expenses and other assets	(1,990,823)	(648,899)
Accounts payable and accrued liabilities	19,101,416	(8,040,524)
Income taxes payable	569,720	1,071,204
Deferred service plan	326,389	-
	<hr/>	<hr/>
Net change in non-cash working capital items	(4,977,364)	(28,061)
Non-cash transaction		
Property and equipment acquired and financed by capital leases	-	165,051
	<hr/>	<hr/>

19 Commitments and contingencies

Contingencies

The Group is involved in certain legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material adverse effect on the Group's combined financial position, results of operations or cash flows.

Operating lease obligations

The Group is obligated to make future minimum annual operating lease payments to the expiry date for premises, store locations (exclusive of rent payable as a percentage of sales and other occupancy charges), and vehicles as follows, excluding taxes:

	\$
2015	7,821,610
2016	6,980,441
2017	6,776,800
2018	6,417,690
2019	6,025,980
Thereafter	13,433,757
	<hr/>
	47,456,278
	<hr/>

J.S.N. Jewellery Group

Notes to Combined Financial Statements

March 31, 2014

(expressed in Canadian dollars, unless otherwise stated)

Capital lease obligations

The Group has entered into several agreements for the lease of store furniture, fixtures and equipment and computer hardware and software. The interest rate implicit in these leases varies from 5.634% to 7.750%. The capital leases expire on various dates in 2014 - 2017. The future minimum annual payments, interest and balance of obligations are as follows:

	\$
2015	1,372,053
2016	1,258,276
2017	731,316
2018	<u>238,192</u>
	3,599,837
Less: Amount representing interest	<u>296,647</u>
Capital lease obligation	<u>3,303,190</u>

Guarantees

J.S.N. Jewellery Inc. is also a guarantor for a vehicle and equipment leased under operating and capital leases by a company owned by the shareholder. The total amount guaranteed as at March 31, 2014 is \$1,154,127, reducing over the terms of the leases.

20 Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current period.

21 Subsequent event

At the year-end date, the Group was in default of certain financial covenants under its credit agreement (note 13). Such defaults gave the lender the right to demand repayment of amounts owing. Subsequent to the year-end, the Group signed an amending agreement (the amending agreement) with its lender which retroactively waived the defaults and removed the covenants, removing the lenders right to demand repayment of the loans. The amending agreement also provided the Group with additional borrowing capacity of approximately \$2 million, at similar terms and conditions as its current term loan facilities under the credit Agreement, which is to be repaid on or before December 31, 2014. After the additional facility is repaid, the Group will have a USD3.5 million term loan outstanding which will subject the Group to currency risk until the US dollar denominated term loan is repaid.

APPENDIX "Q"

Financial Model

JSN Group

FY2016

Strictly Private and Confidential
All dollar amounts are in Canadian Dollars, unless otherwise stated

DRAFT FOR REVIEW AND DISCUSSION

JSN GROUP

Assumptions

(CAD000s)			
General Assumptions			
Corporate tax rate Ben Moss	27.0%	0.0%	
Corporate tax rate J.S.N Jewellery Inc.		26.0%	
Corporate tax rate GMI Corporation (JSN USA)		25.0%	
Corporate tax rate J.S.N Jewellery UK Ltd.		23.0%	
Corporate tax rate Utopia Jewellery Co.		20.0%	

Depreciation & Amortization			
J.S.N. Group of Companies	Remaining	Term	
Capital assets	5 Years	5 Years	
Transaction fees	3 Years	3 Years	
Ben Moss			
Capital assets	5 Years	5 Years	
Other intangibles	4 Years	5 Years	

Note(s):

¹ Combined federal and Manitoba provincial corporate tax rate, Canada Revenue Agency.

² Combined federal and Ontario provincial corporate tax rate, Canada Revenue Agency.

Economic Assumptions

Average British Pound Exchange Rate (\$/£)	1.9000
Ending British Pound Exchange Rate (\$/£)	1.9000
Average United States Exchange Rate (\$/USD)	1.2500
Ending United States Exchange Rate (\$/USD)	1.2500
Average Thai Baht Exchange Rate (\$/TB)	0.0340
Ending Thai Baht Exchange Rate (\$/TB)	0.0340
Bank prime rate ¹	2.85%
US Base Rate	3.75%

Note(s):

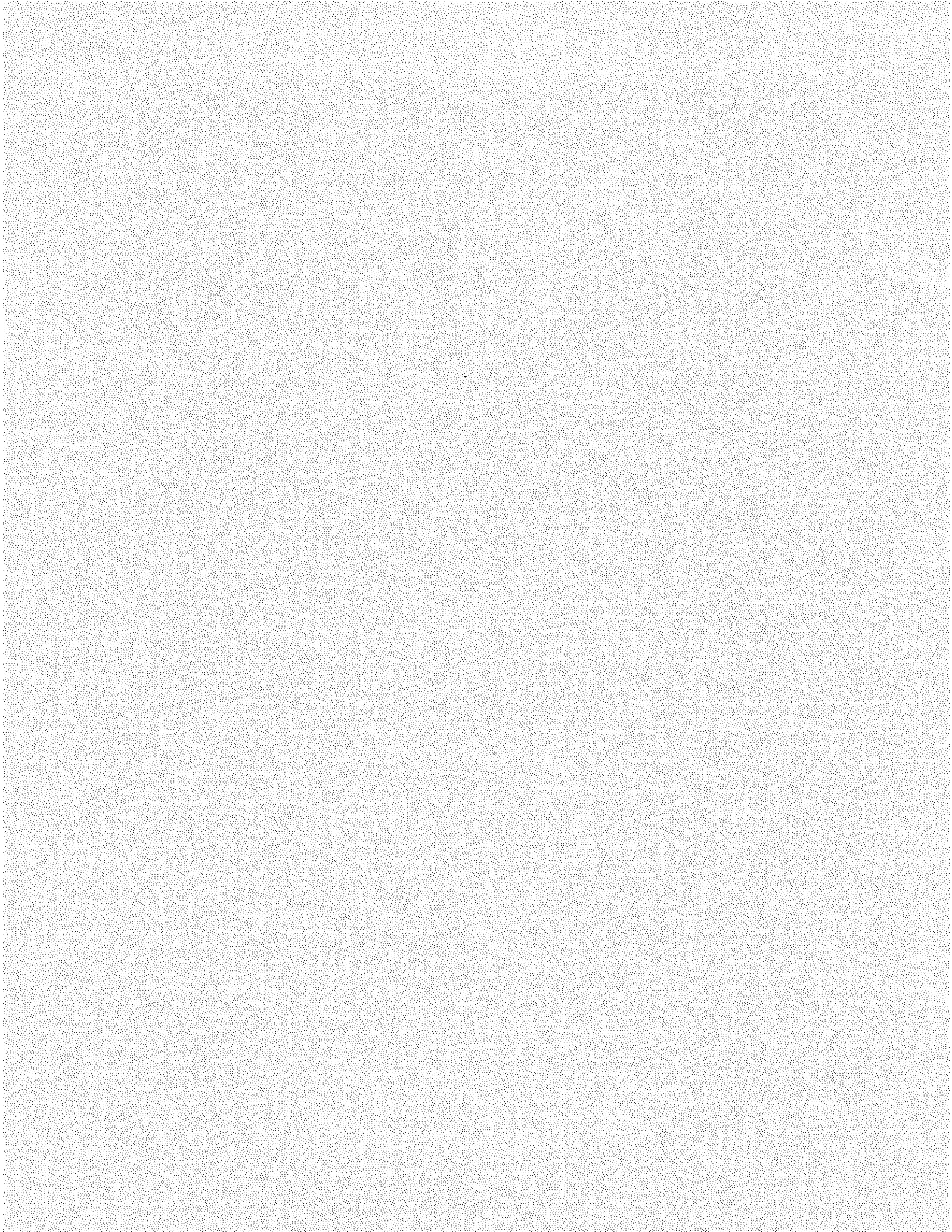
¹ RBC CAD Prime rate

Operating Assumptions - J.S.N Group

(CAD000s, unless otherwise stated)

Net sales	
J.S.N. Jewellery Inc.	\$ 43,480
J.S.N. Jewellery UK Ltd. (£)	£ 12,843
GMI Corporation (JSN USA) (US\$)	\$ 20,500
Net merchandise sales to Ben Moss (Canada)	\$ 32,500
Repair sales to Ben Moss (Canada)	\$ 2,000
Gross margin %	
J.S.N. Jewellery Inc.	25.0%
J.S.N. Jewellery UK Ltd.	25.0%
GMI Corporation (JSN USA)	25.0%
Utopia Jewellery Co.	0.0%
Commissions (% of net sales)	
J.S.N. Jewellery Inc.	0.4%
J.S.N. Jewellery UK Ltd.	0.6%
GMI Corporation (JSN USA)	4.0%
Utopia Jewellery Co. operating expenses	\$ 3,410

JSN GROUP



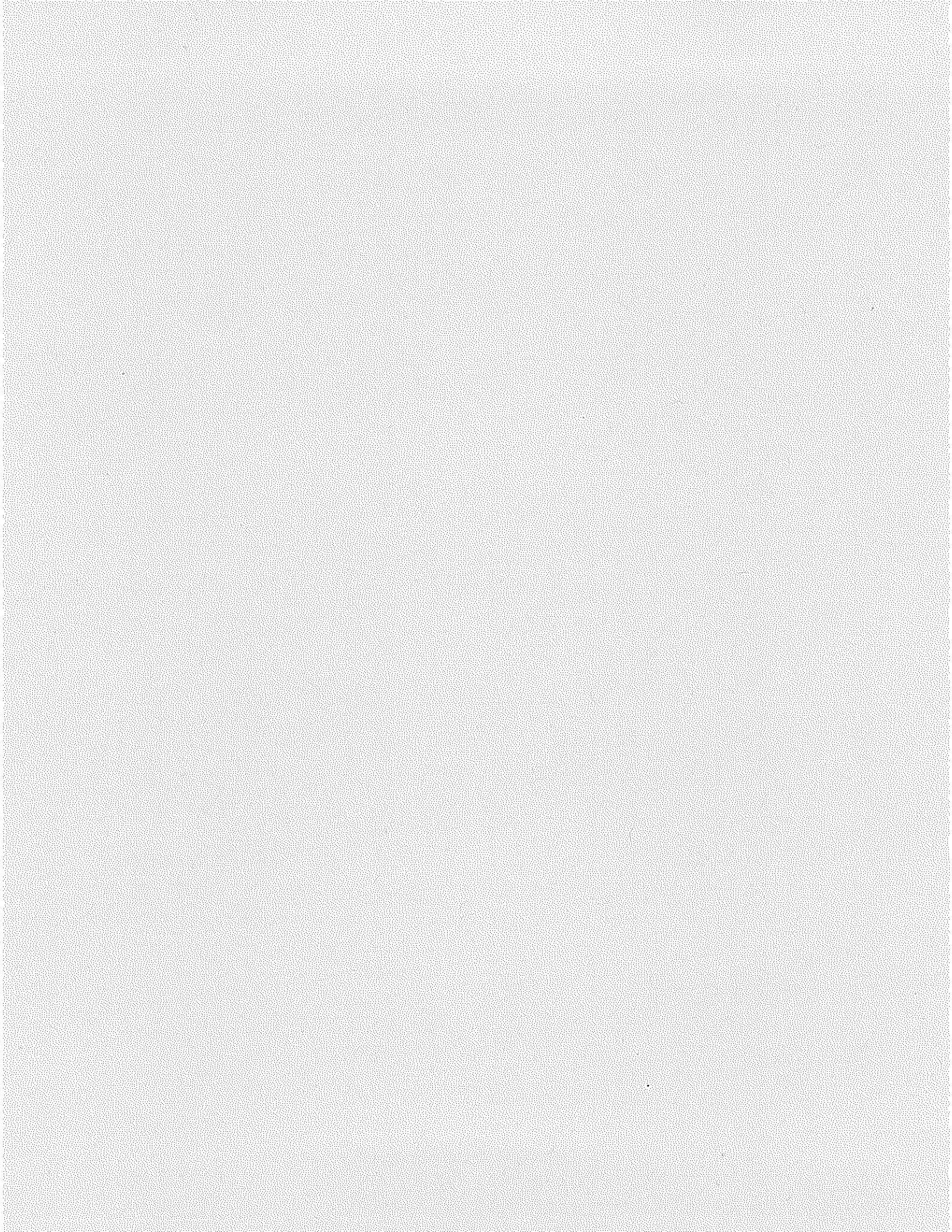
JSN GROUP
Sales Assumptions

Sales Forecast (\$'000)												
Forecast Total for Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	3.3%	8.9%	3.9%	2.8%	11.6%	10.3%	11.5%	19.4%	8.5%	8.7%	7.3%	3.8%
Canada (C\$)												
Charm	99	267	117	84	348	309	345	582	255	261	219	114
Ann Louise	13	36	16	11	46	41	46	78	34	35	29	15
Lavigne	9	25	11	8	32	29	32	54	24	24	20	11
Doucet/MB	7	18	8	6	23	21	23	39	17	17	15	8
Independents	66	178	78	56	232	206	230	388	170	174	146	76
Zales Canada	66	178	78	56	232	206	230	388	170	174	146	76
Other	53	142	62	45	186	165	184	310	136	139	117	61
A&F	50	134	59	42	174	155	173	291	128	131	110	57
Sub total	362	977	428	307	1,274	1,131	1,263	2,130	933	955	802	417
Ben Moss												
32,500	1,073	2,893	1,268	910	3,770	3,348	3,738	6,305	2,763	2,828	2,373	1,235
Total Canada Sales	1,435	3,870	1,696	1,217	5,044	4,478	5,000	8,435	3,696	3,783	3,174	1,652
US (USD)												
	2.0%	3.7%	2.9%	4.4%	1.3%	9.8%	19.8%	11.0%	8.0%	10.6%	18.9%	7.6%
R&H	156	289	226	343	101	764	1,544	858	624	827	1,474	593
Zales	50	93	73	110	33	245	495	275	200	265	473	190
FM	190	352	276	418	124	931	1,881	1,045	760	1,007	1,796	722
Riddles	0	0	0	0	0	0	0	0	0	0	0	0
GSI	14	26	20	31	9	69	139	77	56	74	132	53
Total USD	410	759	595	902	267	2,009	4,059	2,255	1,640	2,173	3,875	1,558
25,625	513	948	743	1,128	333	2,511	5,074	2,819	2,050	2,716	4,843	1,948
UK (GBP)												
	1.7%	8.5%	6.7%	8.8%	7.0%	15.9%	10.7%	20.8%	9.7%	2.7%	2.1%	5.4%
Aurum	162	808	637	836	665	1,511	1,017	1,976	922	257	200	513
Fraser Hart & Fields	16	81	64	84	67	151	102	198	92	26	20	51
Mortimer	9	43	34	44	35	80	54	104	49	14	11	27
Market Cross	2	9	7	9	7	16	11	21	10	3	2	5
F. Hinds	5	26	20	26	21	48	32	62	29	8	6	16
Houlden	10	51	40	53	42	95	64	125	58	16	13	32
Other Independents	7	34	27	35	28	64	43	83	39	11	8	22
Other European	8	42	33	43	35	78	53	103	48	13	10	27
Total GBP	218	1,092	861	1,130	899	2,042	1,374	2,671	1,246	347	270	694
12,843	415	2,074	1,635	2,147	1,708	3,880	2,611	5,076	2,367	659	512	1,318
24,403												
Totals (C\$)	1,290	4,000	2,806	3,582	3,315	7,522	8,948	10,025	5,350	4,330	6,157	3,682

C\$

C\$

Totals (C\$)



JSN GROUP

Ben Moss Jewellers Western Canada Ltd.

Income Statement

(C400000s)

	2016F Budget												
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Full Year
Net Sales	5,187	8,269	6,364	5,887	7,574	5,453	5,172	10,061	21,740	5,690	7,155	4,905	93,456
Cost of sales	\$ 2,608	4,158	3,200	2,912	3,744	2,689	2,549	4,987	10,874	2,787	3,536	2,405	46,468
Gross margin	2,578	4,111	3,164	2,974	3,830	2,765	2,624	5,073	10,866	2,904	3,618	2,501	47,008
% margin	49.7%	49.7%	49.7%	50.5%	50.6%	50.7%	50.7%	50.4%	50.0%	51.0%	50.6%	51.0%	51.0%
Store operating expenses													
Wages	1,210	1,645	1,328	1,297	1,561	1,345	1,244	1,810	1,897	1,706	1,399	1,368	17,810
Advertising & promotions	70	75	71	65	64	64	71	110	78	77	76	64	885
Occupancy	1,005	1,003	1,007	1,007	1,008	999	999	1,031	1,122	1,002	1,017	992	12,191
Other Store operating costs	206	267	217	206	248	204	191	321	565	216	241	252	3,134
Store operating expenses	2,492	2,991	2,622	2,575	2,881	2,612	2,505	3,272	3,662	3,001	2,732	2,676	34,019
Store operating profit													
% margin	87	1,121	541	400	950	153	118	1,802	7,204	(97)	886	(176)	12,988
Administrative expenses													
	510	693	522	466	531	502	509	661	737	578	622	488	6,818
EBITDA	(423)	428	19	(66)	418	(349)	(390)	1,141	6,467	(675)	264	(664)	6,170
% margin	-8.2%	5.2%	0.3%	-1.1%	5.5%	-6.4%	-7.5%	11.3%	29.7%	-11.9%	3.7%	-13.5%	6.6%
Amortization and depreciation													
Interest expense (income)	262	265	266	268	269	273	273	274	274	276	276	973	3,949
Other income (loss)	11	11	10	10	9	9	8	7	7	6	6	5	100
Earnings Before Taxes	(697)	152	(257)	(344)	140	(630)	(671)	860	6,186	(958)	(18)	(1,642)	2,122
Income Taxes ²													
Current	-	-	-	-	-	-	-	-	-	-	-	573	573
Future	-	-	-	-	-	-	-	-	-	-	-	573	573
Net Income													
% margin	\$ (697)	\$ 152	\$ (257)	\$ (344)	\$ 140	\$ (630)	\$ (671)	\$ 860	\$ 6,186	\$ (958)	\$ (18)	\$ (2,215)	\$ 1,549

JSN GROUP

Ben Moss Jewellers Western Canada Ltd.

Balance Sheet

(CAD000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Assets												
Current assets												
Cash	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900
Accounts receivable - trade	4,733	4,567	5,200	5,433	5,666	5,900	6,133	6,366	6,599	6,833	7,066	7,299
Accounts receivable - related	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	39,192	37,993	37,098	38,182	39,006	41,435	44,945	46,825	39,728	39,882	38,742	38,652
Inventory - consignment	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	45,926	44,959	44,297	45,615	46,672	49,334	53,078	55,191	48,327	48,715	47,808	47,951
Capital assets												
Goodwill	11,582	11,601	11,491	11,486	11,445	11,434	11,361	11,088	11,012	10,893	10,733	10,507
Prepaid leases	-	-	-	-	-	-	-	-	-	-	-	-
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 73,388	\$ 72,406	\$ 71,599	\$ 72,876	\$ 73,857	\$ 76,474	\$ 80,109	\$ 81,914	\$ 74,939	\$ 75,173	\$ 74,071	\$ 73,226
Liabilities												
Current liabilities												
Due to Parent	\$ 13,934	\$ 11,619	\$ 12,673	\$ 15,308	\$ 15,630	\$ 17,641	\$ 19,183	\$ 19,081	\$ 5,374	\$ 9,360	\$ 11,749	\$ 13,631
Bank indebtedness (prior to closing)	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities - trade	14,268	15,558	14,065	13,163	13,793	15,142	18,020	18,980	19,723	17,127	13,752	12,633
Accounts payable and accrued liabilities - related	-	-	-	-	-	-	-	-	-	-	-	-
Layaway deposits	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,200	1,100	1,000	1,000	1,000
Income tax payable	-	-	-	-	-	-	-	-	-	-	-	573
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	29,201	28,177	27,738	29,471	30,424	33,783	38,203	39,261	25,197	27,487	25,501	27,837
Deferred lease inducements	86	86	86	86	86	86	86	86	86	86	86	77
Deferred service plan revenue	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,462
Obligations under capital leases	2,056	1,955	1,853	1,751	1,648	1,545	1,441	1,337	1,249	1,160	1,071	990
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debt	150	141	132	123	114	104	95	86	77	67	58	48
Due to shareholders	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	91	91	91	91	91	91	91	91	91	91	91	61
Total liabilities	56,827	55,693	55,143	56,765	57,605	60,852	65,159	66,103	52,942	54,134	53,050	54,419
Shareholders' Equity												
Capital stock	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Retained earnings	(3,439)	(3,287)	(3,544)	(3,888)	(3,748)	(4,378)	(5,049)	(4,189)	1,997	1,039	1,021	(1,193)
Total shareholders' equity	16,561	16,713	16,456	16,112	16,252	15,622	14,951	15,811	21,997	21,039	21,021	18,807
Total liabilities and shareholders' equity	\$ 73,388	\$ 72,406	\$ 71,599	\$ 72,876	\$ 73,857	\$ 76,474	\$ 80,109	\$ 81,914	\$ 74,939	\$ 75,173	\$ 74,071	\$ 73,226

JSN GROUP

Ben Moss Jewellers Western Canada Ltd.

Cash Flow Statement

(CAD0000s)

2016F Budget

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Operating Cash Flow												
Net income	\$ (697)	\$ 152	\$ (257)	\$ (344)	\$ 140	\$ (630)	\$ (671)	\$ 860	\$ 6,186	\$ (958)	\$ (18)	\$ (2,215)
Add: Depreciation & amortization	262	265	266	268	269	273	273	274	274	276	276	973
Add: Increase (decrease) in Future Taxes	(182)	(2,257)	831	2,219	427	1,314	865	952	(7,506)	3,083	2,469	690
Less: Increase (decrease) in Working Capital	101	101	102	102	103	103	104	104	88	89	89	81
Less: Obligations Under Capital Lease	(11)	-	-	-	-	-	-	-	-	-	-	9
Less: Amortization of leasehold inducements	0	-	-	-	-	-	-	-	-	-	-	(164)
Less: Increase in deferred service plan revenue	(342)	2,573	(924)	(2,397)	(121)	(1,774)	(1,368)	77	13,878	(3,853)	(2,259)	(1,857)
Net Operating Cash Flow												
Investing Cash Flow												
Capital Expenditures	(109)	(249)	(121)	(228)	(193)	(227)	(165)	34	(163)	(123)	(81)	(15)
Net Investing Cash Flow	(109)	(249)	(121)	(228)	(193)	(227)	(165)	34	(163)	(123)	(81)	(15)
Free Cash Flow Before Financing	(451)	2,323	(1,045)	(2,626)	(313)	(2,002)	(1,532)	111	13,716	(3,976)	(2,380)	(1,872)
Financing Cash Flow												
ABL												
Due to Parent	1,299	(2,315)	1,054	2,635	322	2,011	1,541	(102)	(13,706)	3,986	2,389	1,882
Due from subsidiary (revolver)												
Long term debt repayment	(8)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)
Common Stock												
Dividends												
Net Financing Cash Flow	1,291	(2,324)	1,045	2,626	313	2,002	1,532	(111)	(13,715)	3,977	2,380	1,873
Net Cash Flow	\$ 839	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cash (Beginning balance)	900	900	900	900	900	900	900	900	900	900	900	900
Change	-	-	-	-	-	-	-	-	-	-	-	-
Cash (Ending balance)	900	900	900	900	900	900	900	900	900	900	900	900

JSN GROUP

Ben Moss Jewellers Western Canada Ltd.

Capital Expenditures Schedule

(CAD000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Capital Assets												
Book Value (Beginning of Period)	\$ 16,200	\$ 16,309	\$ 16,558	\$ 16,679	\$ 16,908	\$ 17,100	\$ 17,328	\$ 17,492	\$ 17,458	\$ 17,620	\$ 17,743	\$ 17,824
Capital Expenditures	109	249	121	229	193	227	165	(34)	163	123	81	15
Book Value (End of Period)	16,309	16,558	16,679	16,908	17,100	17,328	17,492	17,458	17,620	17,743	17,824	17,839
Accumulated Depreciation	4,727	4,957	5,188	5,422	5,656	5,893	6,131	6,370	6,609	6,850	7,091	7,333
Net - Capital Assets	\$ 11,582	\$ 11,601	\$ 11,491	\$ 11,486	\$ 11,445	\$ 11,434	\$ 11,361	\$ 11,088	\$ 11,012	\$ 10,893	\$ 10,733	\$ 10,507
Depreciation Expense - Capital Assets												
Existing Assets	\$ 227	\$ 230	\$ 231	\$ 233	\$ 234	\$ 238	\$ 238	\$ 239	\$ 239	\$ 241	\$ 241	\$ 241
New capital expenditures												
Depreciation Expense - Capital Assets	\$ 227	\$ 230	\$ 231	\$ 233	\$ 234	\$ 238	\$ 238	\$ 239	\$ 239	\$ 241	\$ 241	\$ 241
Intangible Assets IT												
Book Value (Beginning of Period)	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Capital Expenditures	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Book Value (End of Period)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Accumulated Depreciation	750	785	820	855	890	925	960	995	1,030	1,065	1,100	1,135
Net - Intangible Assets	\$ 550	\$ 515	\$ 480	\$ 445	\$ 410	\$ 375	\$ 340	\$ 305	\$ 270	\$ 235	\$ 200	\$ 165
Depreciation Expense - Capital Assets												
Existing Assets	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35
New capital expenditures												
Depreciation Expense - Capital Assets	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35
Intangible Assets												
Book Value (Beginning of Period)	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470
Capital Expenditures	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,862
Book Value (End of Period)	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470
Accumulated Depreciation	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,862
Net - Intangible Assets	\$ 12,335	\$ 12,335	\$ 12,335	\$ 12,335	\$ 12,335	\$ 12,335	\$ 12,335	\$ 12,335	\$ 12,335	\$ 12,335	\$ 12,335	\$ 11,608
Depreciation Expense - Capital Assets												
Existing Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 727
New capital expenditures												-
Depreciation Expense - Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 727
CapEx												
Total Depreciation	\$ 109	\$ 249	\$ 121	\$ 229	\$ 193	\$ 227	\$ 165	\$ (34)	\$ 163	\$ 123	\$ 81	\$ 15
	\$ 262	\$ 265	\$ 266	\$ 268	\$ 269	\$ 273	\$ 273	\$ 274	\$ 274	\$ 276	\$ 276	\$ 1,003

JSN GROUP

Ben Moss Jewellers Western Canada Ltd.

Debt Schedule

(CAD0000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Cash												
Beginning balance	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900
Net Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Ending balance	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900
Interest												
0.00%												
Free Cash Flow												
FCF Before Debt Issuance (repayment)	\$ (451)	\$ 2,323	\$ (1,045)	\$ (2,626)	\$ (313)	\$ (2,002)	\$ (1,532)	\$ 111	\$ 13,716	\$ (3,976)	\$ (2,380)	\$ (1,872)
Debt/Equity Issuance (repayment)	1,299	(2,315)	1,054	2,635	322	2,011	1,541	(102)	(13,706)	3,986	2,389	1,882
Dividends												
FCF	\$ 847	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
Due to Parent												
Beginning balance	\$ 12,635	\$ 13,934	\$ 11,619	\$ 12,673	\$ 15,308	\$ 15,630	\$ 17,641	\$ 19,183	\$ 19,081	\$ 5,374	\$ 9,360	\$ 11,749
Issuance (repayment)	1,299	(2,315)	1,054	2,635	322	2,011	1,541	(102)	(13,706)	3,986	2,389	1,882
Ending balance	\$ 13,934	\$ 11,619	\$ 12,673	\$ 15,308	\$ 15,630	\$ 17,641	\$ 19,183	\$ 19,081	\$ 5,374	\$ 9,360	\$ 11,749	\$ 13,631
Interest												
Spread												
0.00%												
Shareholder loans												
Beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance (repayment)												
Ending balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest												
10.00%												
Obligations under capital leases												
Beginning balance	\$ 2,157	\$ 2,056	\$ 1,955	\$ 1,853	\$ 1,751	\$ 1,648	\$ 1,545	\$ 1,441	\$ 1,337	\$ 1,249	\$ 1,160	\$ 1,071
Issuance (repayment)	101	101	102	102	103	103	104	104	88	89	89	81
Ending balance	\$ 2,056	\$ 1,955	\$ 1,853	\$ 1,751	\$ 1,648	\$ 1,545	\$ 1,441	\$ 1,337	\$ 1,249	\$ 1,160	\$ 1,071	\$ 990
Interest												
\$ 20	\$ 19	\$ 18	\$ 17	\$ 17	\$ 17	\$ 16	\$ 15	\$ 14	\$ 14	\$ 13	\$ 13	\$ 12
Total Interest Expense	\$ 20	\$ 19	\$ 18	\$ 17	\$ 17	\$ 16	\$ 15	\$ 14	\$ 14	\$ 13	\$ 13	\$ 12

Equity Schedule

(CAD0000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Common Stock												
Beginning balance	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,013	\$ 20,013	\$ 20,013	\$ 20,013	\$ 20,013	\$ 20,013
Issuance (repayment)												
Ending balance	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,013	\$ 20,013	\$ 20,013	\$ 20,013	\$ 20,013	\$ 20,013	\$ 20,013
Dividends												

Working Capital Schedule

(CAD0000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Working Capital												
Add: Increase (decrease) in Accounts receivable - trade	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233
Add: Increase (decrease) in Inventory	192	(1,200)	(895)	1,084	824	2,429	3,511	1,879	(7,097)	154	(1,140)	(90)
Add: Increase (decrease) in Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Add: Increase (decrease) in Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Accounts payable and accrued liabilities - trade	608	1,291	(1,493)	(902)	630	1,348	2,878	960	743	(2,595)	(3,375)	(1,119)
Less: Increase (decrease) in Layaway deposits	-	-	-	-	-	-	-	200	(100)	(100)	-	-
Less: Increase (decrease) in Income tax payable	-	-	-	-	-	-	-	-	-	-	-	573
Less: Increase (decrease) in Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in Working Capital	\$ (182)	\$ (2,257)	\$ 831	\$ 2,219	\$ 427	\$ 1,314	\$ 865	\$ 952	\$ (7,506)	\$ 3,083	\$ 2,469	\$ 690

Days sales in accounts receivable¹

Accounts receivable

\$ 4,733	\$ 4,967	\$ 5,200	\$ 5,433	\$ 5,666	\$ 5,900	\$ 6,133	\$ 6,366	\$ 6,599	\$ 6,833	\$ 7,066	\$ 7,299
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Days sales in accounts payable¹

Accounts payable

Accounts payable resulting from inventory transfer

\$ 14,268	\$ 15,558	\$ 14,055	\$ 13,163	\$ 13,793	\$ 15,142	\$ 18,020	\$ 18,980	\$ 19,723	\$ 17,127	\$ 13,752	\$ 12,633
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Total

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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\$ 14,268	\$ 15,558	\$ 14,065	\$ 13,163	\$ 13,793	\$ 15,142	\$ 18,020	\$ 18,980	\$ 19,723	\$ 17,127	\$ 13,752	\$ 12,633
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Inventory¹

Base inventory

Additional seasonal inventory²

Additional inventory moved from Utopia

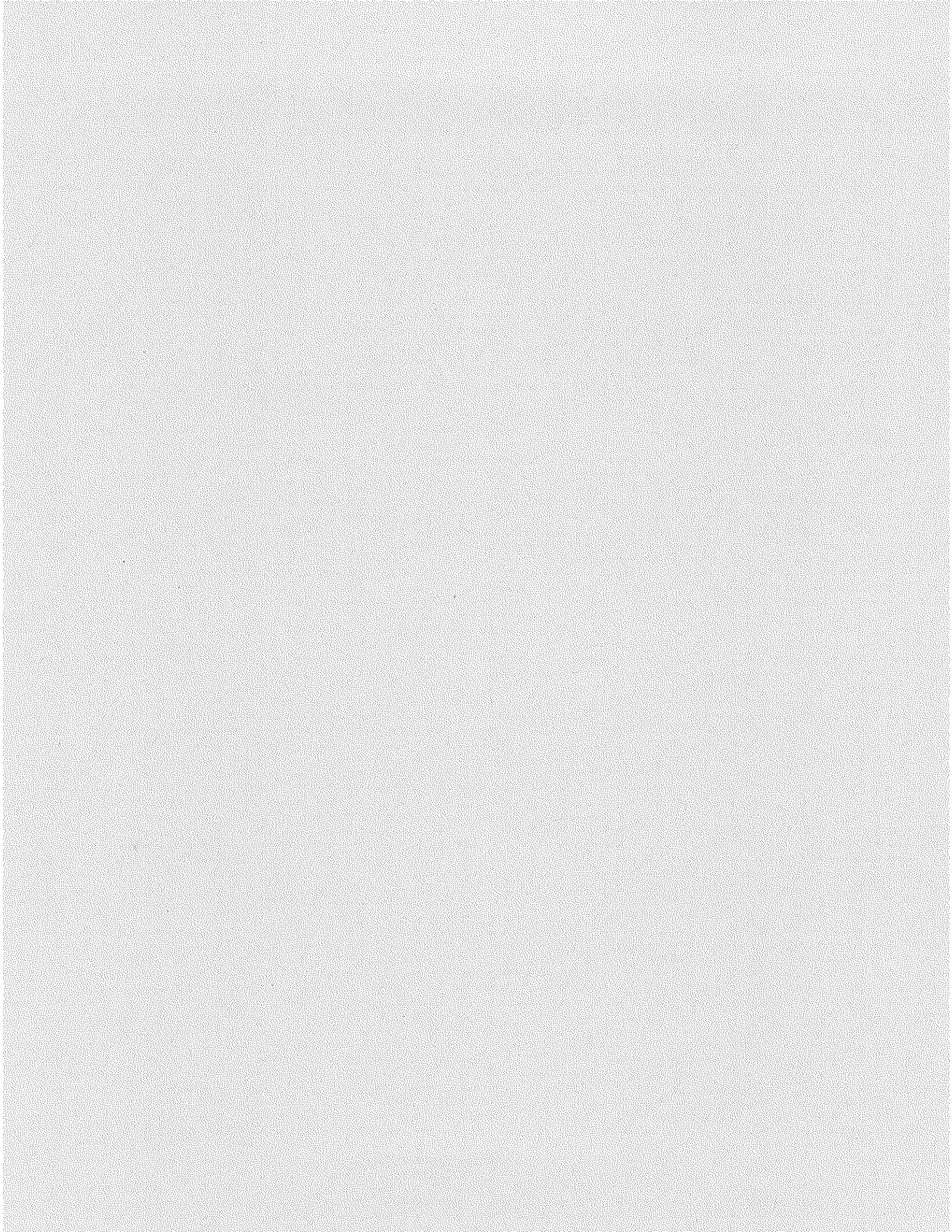
Ending inventory

\$ 39,192	\$ 37,993	\$ 37,098	\$ 38,182	\$ 39,006	\$ 41,435	\$ 44,945	\$ 46,825	\$ 39,728	\$ 39,882	\$ 38,742	\$ 38,652
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\$ 39,192	\$ 37,993	\$ 37,098	\$ 38,182	\$ 39,006	\$ 41,435	\$ 44,945	\$ 46,825	\$ 39,728	\$ 39,882	\$ 38,742	\$ 38,652
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\$ 39,192	\$ 37,993	\$ 37,098	\$ 38,182	\$ 39,006	\$ 41,435	\$ 44,945	\$ 46,825	\$ 39,728	\$ 39,882	\$ 38,742	\$ 38,652
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\$ 39,192	\$ 37,993	\$ 37,098	\$ 38,182	\$ 39,006	\$ 41,435	\$ 44,945	\$ 46,825	\$ 39,728	\$ 39,882	\$ 38,742	\$ 38,652
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JSN Group

J.S.N. Jewellery Inc.

Income Statement

(CAD0000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
<i>Net Sales Seasonality</i>												
Net sales	\$ 1,435	\$ 3,870	\$ 1,696	\$ 1,217	\$ 5,044	\$ 4,478	\$ 5,000	\$ 8,435	\$ 3,696	\$ 3,783	\$ 3,174	\$ 1,652
Cost of sales	1,076	2,902	1,272	913	3,783	3,359	3,750	6,325	2,772	2,837	2,381	1,239
Gross margin	359	967	424	304	1,261	1,120	1,250	2,109	924	946	794	413
% margin	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
<i>Operating expenses</i>												
Advertising and promotion	15	117	69	-	18	22	18	208	18	7	47	11
Travel and trade shows	45	45	72	45	45	45	45	45	45	45	45	45
Meals and entertainments	6	6	6	6	6	6	6	6	6	6	6	6
Commissions	6	15	7	5	20	18	20	34	15	15	13	7
Bad debts (recovery)	1	1	1	1	1	1	1	1	1	1	1	1
Bank charges	14	14	14	14	14	14	14	14	14	17	17	17
Computer and consulting	14	14	14	14	14	14	14	14	14	14	14	14
Donations	9	9	9	9	9	9	9	9	9	9	9	9
Insurance	15	15	15	15	15	15	15	15	15	15	15	15
Office and general	13	13	13	13	13	13	13	13	13	13	13	13
Management fees	120	120	120	120	120	120	120	120	120	120	120	120
Office and administration wages and benefits ¹	167	171	171	171	171	171	174	174	174	174	174	174
Plant & service wages & benefits	75	75	75	90	75	75	75	110	110	75	75	75
Professional fees	145	141	126	126	103	103	103	103	103	103	103	103
Rent and utilities	18	18	18	18	18	18	18	18	18	18	18	18
Repairs and maintenance	3	3	3	3	3	3	3	3	3	3	3	3
Telephone	6	6	6	6	6	6	6	6	6	6	6	6
Vehicle expenses	7	7	7	7	7	7	7	7	7	7	7	7
Bonus	1	1	1	1	1	1	1	1	1	1	1	1
EBITDA	680	792	748	665	660	662	663	901	693	650	688	645
% margin	(321)	175	(324)	(361)	600	458	587	1,208	231	296	106	(232)
	-22.4%	4.5%	-19.1%	-29.6%	11.9%	10.2%	11.7%	14.3%	6.3%	7.8%	3.3%	-14.1%
Amortization and depreciation	116	116	116	116	116	116	116	116	116	116	116	116
Interest expense (income)	413	405	399	394	394	394	388	390	367	339	350	365
Other Income (loss)												
Earnings Before Taxes	(849)	(346)	(839)	(871)	91	(52)	83	702	(251)	(160)	(360)	(713)
Income Taxes												
Current												
Future												
Net Income	\$ (849)	\$ (346)	\$ (839)	\$ (871)	\$ 91	\$ (52)	\$ 83	\$ 702	\$ (251)	\$ (160)	\$ (360)	\$ (713)

Notes:

¹ Includes management fee reimbursement of approximately \$700,000 annually from JSN UK.

JSN Group
J.S.M. Jewellery Inc.
Balance Sheet
(CAD0000s)

		2016F Budget											
		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Assets	Current assets	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500
	Cash	5,212	4,652	4,410	4,015	4,921	5,261	5,322	6,255	5,492	4,915	5,250	4,312
	Accounts receivable - trade	22,509	22,509	22,509	22,509	22,509	22,509	22,509	22,509	22,509	22,509	22,509	22,509
	Accounts receivable - related	14,973	14,973	14,973	14,973	14,973	14,973	14,973	14,973	14,973	14,973	14,973	14,973
	Inventory	6,917	6,917	6,917	6,917	6,917	6,917	6,917	6,917	6,917	6,917	6,917	6,917
	Inventory - third party consignment	151	145	41	49	43	36	90	84	78	92	85	80
	Prepaid expenses	100	100	100	100	100	100	100	100	100	100	100	100
	Other current assets	50,362	49,796	49,450	49,063	49,963	50,296	50,411	51,338	50,569	50,006	50,335	49,391
	Total current assets	386	383	377	371	365	359	355	349	343	337	331	325
	Capital assets												
	Prepaid leases	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329
	Long term receivables group related party	824	824	824	824	824	824	824	824	824	824	824	824
	Long term receivables	23,137	23,137	23,137	23,137	23,137	23,137	23,137	23,137	23,137	23,137	23,137	23,137
	Investment in subsidiary	(38,909)	(41,624)	(40,496)	(37,246)	(37,473)	(33,498)	(29,171)	(27,710)	(44,741)	(44,138)	(42,004)	(40,604)
	Due from related party (BM, LUK, GMI)	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945
	Due from subsidiary (shareholder notes BM)	1,817	1,708	1,598	1,488	1,379	1,269	1,160	1,050	940	831	721	611
	Intangible assets												
	Other assets												
	Total Assets	\$ 67,892	\$ 64,498	\$ 65,165	\$ 67,912	\$ 68,469	\$ 72,661	\$ 76,990	\$ 79,262	\$ 61,346	\$ 61,271	\$ 63,618	\$ 63,958

JSN Group

J.S.N. Jewellery Inc.

Liabilities

Current liabilities

ABL	\$ 48,786	\$ 45,413	\$ 45,949	\$ 45,850	\$ 45,867	\$ 45,768	\$ 46,323	\$ 46,648	\$ 36,098	\$ 37,736	\$ 40,955	\$ 43,856
Bank indebtedness (prior to closing)	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities - trade	1,353	2,039	2,377	2,744	1,995	1,981	1,986	1,989	2,703	2,078	1,950	2,063
Accounts payable and accrued liabilities - related	(15,813)	(16,175)	(14,967)	(11,618)	(10,420)	(5,325)	(1,639)	(397)	(7,489)	(8,416)	(8,800)	(10,125)
Income tax payable	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	34,326	31,278	33,358	36,976	37,443	42,424	46,669	48,240	31,312	31,397	34,105	35,895
Term Loan A	5,750	5,750	5,500	5,500	5,500	5,250	5,250	5,250	5,000	5,000	5,000	4,750
Term Loan B	6,610	6,610	6,285	6,285	6,285	5,798	5,798	5,798	5,310	5,310	5,310	4,823
Term Loan C	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448
Due to shareholders	9,683	9,683	9,683	9,683	9,683	9,683	9,683	9,683	9,683	9,683	9,683	9,683
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	60,817	57,769	59,274	62,892	63,359	67,603	71,848	73,418	55,753	55,838	58,546	59,598
Shareholders' Equity												
Capital stock	-	-	-	-	-	0	-	-	-	-	-	-
Retained earnings	7,075	6,729	5,890	5,020	5,110	5,058	5,141	5,843	5,592	5,433	5,072	4,360
Total shareholders' equity	7,075	6,729	5,890	5,020	5,110	5,058	5,141	5,843	5,592	5,433	5,072	4,360
Total liabilities and shareholders' equity	\$ 67,892	\$ 64,497	\$ 65,165	\$ 67,911	\$ 68,469	\$ 72,661	\$ 76,989	\$ 79,262	\$ 61,346	\$ 61,271	\$ 63,618	\$ 63,958

JSN Group

J.S.N. Jewellery Inc.

Cash Flow Statement

(CAD000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Operating Cash Flow												
Net Income	\$ (849)	\$ (346)	\$ (839)	\$ (871)	\$ 91	\$ (52)	\$ 83	\$ 702	\$ (251)	\$ (160)	\$ (360)	\$ (713)
Add: Depreciation & Amortization	116	116	116	116	116	116	116	116	116	116	116	116
Add: Increase (decrease) in Future Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Working Capital	853	(1,253)	(683)	(755)	1,649	347	110	924	(1,484)	63	457	(1,058)
Less: Obligations Under Capital Lease	-	-	-	-	-	-	-	-	-	-	-	-
Less: Amortization of leasehold inducements	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in deferred service plan revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Cash Flow	(1,587)	1,022	(40)	(0)	(1,443)	(284)	89	(106)	1,348	(106)	(701)	461
Investing Cash Flow												
Capital Expenditures	-	(3)	-	-	-	-	(2)	-	-	-	-	-
Net Investing Cash Flow	-	(3)	-	-	-	-	(2)	-	-	-	-	-
Free Cash Flow Before Financing	(1,587)	1,019	(40)	(0)	(1,443)	(284)	87	(106)	1,348	(106)	(701)	461
Financing Cash Flow												
ABL	103	(3,373)	535	(99)	17	(99)	555	325	(10,550)	1,637	3,219	3,002
Due from subsidiary (8en Moss & JSN UK revolver)	4,909	2,715	(1,128)	(3,250)	227	(3,975)	(4,328)	(1,461)	17,031	(604)	(2,134)	(1,400)
Due from related group party (Utopia)	(3,708)	(362)	1,208	3,349	1,199	5,095	3,686	1,242	(7,092)	(927)	(384)	(1,325)
Term Loan A	-	-	(250)	-	-	(250)	-	-	(250)	-	-	(250)
Term Loan B	-	-	(325)	-	-	(488)	-	-	(488)	-	-	(488)
Term Loan C	-	-	-	-	-	-	-	-	-	-	-	-
Due from subsidiary (shareholder loans)	-	-	-	-	-	-	-	-	-	-	-	-
Due to subsidiary (Inventory transfer from Utopia)	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Net Financing Cash Flow	1,304	(1,019)	40	0	1,443	284	(87)	106	(1,348)	106	701	(461)
Net Cash Flow	\$ (283)	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Beginning balance)	783	500	500	500	500	500	500	500	500	500	500	500
Change	(283)	-	-	-	-	-	-	-	-	-	-	-
Cash (Ending balance)	500	500	500	500	500	500	500	500	500	500	500	500

Note:

J.S.N. Jewellery Inc.

Capital Expenditures Schedule

(CAD000s)

[illegible]

JSN Group

J.S.N. Jewellery Inc.

Debt & Due from Related Party Schedule

(CAD000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
<i>Prime rate</i>	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
<i>US Base Rate</i>	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Cash												
Beginning balance	\$ 783	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Net Cash Flow	(283)	-	-	-	-	-	-	-	-	-	-	-
Ending balance	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Interest												
Free Cash Flow												
FCF Before Debt Issuance (repayment)	\$ (1,587)	\$ 1,019	\$ (40)	\$ (0)	\$ (1,443)	\$ (284)	\$ 87	\$ (106)	\$ 1,348	\$ (106)	\$ (701)	\$ 461
Debt Issuance (repayment)	103	(3,373)	535	(99)	17	(99)	555	325	(10,550)	1,637	3,219	3,002
Dividends												
FCF	\$ (1,484)	\$ (2,354)	\$ 496	\$ (99)	\$ (1,425)	\$ (383)	\$ 642	\$ 219	\$ (9,202)	\$ 1,531	\$ 2,518	\$ 3,462
ABL												
Beginning balance	\$ 48,683	\$ 48,786	\$ 45,413	\$ 45,949	\$ 45,850	\$ 45,867	\$ 45,768	\$ 46,323	\$ 46,648	\$ 36,098	\$ 37,736	\$ 40,955
Issuance (repayment) - net	103	(3,373)	535	(99)	17	(99)	555	325	(10,550)	1,637	3,219	3,002
Ending balance	\$ 48,786	\$ 45,413	\$ 45,949	\$ 45,850	\$ 45,867	\$ 45,768	\$ 46,323	\$ 46,648	\$ 36,098	\$ 37,736	\$ 40,955	\$ 43,956
Interest	\$ 251	\$ 242	\$ 235	\$ 236	\$ 236	\$ 236	\$ 237	\$ 239	\$ 213	\$ 190	\$ 202	\$ 218
Unused line fee	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 5	\$ 7	\$ 6	\$ 4
Term Loan A												
Beginning balance	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,000	\$ 5,000	\$ 5,000
Issuance (repayment)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Ending balance	\$ 5,750	\$ 5,750	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,750
Interest	\$ 48	\$ 48	\$ 48	\$ 46	\$ 46	\$ 46	\$ 44	\$ 44	\$ 44	\$ 42	\$ 42	\$ 42
Term Loan B												
Beginning balance	\$ 6,610	\$ 6,610	\$ 6,610	\$ 6,285	\$ 6,285	\$ 6,285	\$ 5,798	\$ 5,798	\$ 5,798	\$ 5,310	\$ 5,310	\$ 5,310
Issuance (repayment)	(325)	(325)	(325)	(488)	(488)	(488)	(488)	(488)	(488)	(488)	(488)	(488)
Ending balance	\$ 6,610	\$ 6,610	\$ 6,285	\$ 6,285	\$ 6,285	\$ 5,798	\$ 5,798	\$ 5,798	\$ 5,310	\$ 5,310	\$ 5,310	\$ 4,823
Interest	\$ 66	\$ 66	\$ 66	\$ 62	\$ 62	\$ 62	\$ 58	\$ 58	\$ 58	\$ 53	\$ 53	\$ 53

Prime +

3.50%

0.68%

Prime +

7.75%

Prime +

9.75%

J.S.N. Jewellery Inc.

Beginning balance
issuance (repayment)

Interest	<u>Prime +</u>
	9.75%

Beginning balance

Interest

Beginning balance

Interest

Beginning balance
Issuance (repayment)

Interest

Total Interest Income
Interest expense (income)

Debt Level

JSN Group

J.S.N. Jewellery Inc.

Working Capital Schedule

(CAD000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Working Capital												
Add: Increase (decrease) in Accounts receivable - trade	\$ (288)	\$ (560)	\$ (242)	\$ (395)	\$ 906	\$ 340	\$ 60	\$ 933	\$ (763)	\$ (576)	\$ 335	\$ (939)
Add: Increase (decrease) in Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Add: Increase (decrease) in Prepaid expenses	(6)	(6)	(104)	8	(6)	(7)	54	(6)	(6)	14	(6)	(6)
Add: Increase (decrease) in Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Accounts payable and accrued liabilities - trade	(1,147)	686	338	367	(749)	(14)	4	3	714	(625)	(128)	113
Less: Increase (decrease) in Withholding taxes payable	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Income tax payable	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in Working Capital	\$ 853	\$ (1,253)	\$ (683)	\$ (755)	\$ 1,649	\$ 347	\$ 110	\$ 924	\$ (1,484)	\$ 63	\$ 457	\$ (1,058)

JSN Group

J.S.N. Jewellery Inc.

Net sales

Sales to Ben Moss	\$ 1,073	\$ 2,893	\$ 1,268	\$ 910	\$ 3,770	\$ 3,348	\$ 3,738	\$ 6,305	\$ 2,763	\$ 2,828	\$ 2,373	\$ 1,235
Additional sales to transfer inventory from (Utopia to Ben Moss)												-
Sales to others	362	977	428	307	1,274	1,131	1,263	2,130	933	955	802	417
Total net sales	1,435	3,870	1,696	1,217	5,044	4,478	5,000	8,435	3,696	3,783	3,174	1,652

Financing terms - days payable¹

30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	60 Days	30 Days	30 Days	30 Days
60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days

Accounts receivable - Ben Moss

Opening	\$ 5,000	\$ 6,073	\$ 8,965	\$ 10,233	\$ 11,143	\$ 14,913	\$ 18,260	\$ 21,998	\$ 28,303	\$ 31,065	\$ 33,893	\$ 36,265
Sales	\$ 1,073	\$ 2,893	\$ 1,268	\$ 910	\$ 3,770	\$ 3,348	\$ 3,738	\$ 6,305	\$ 2,763	\$ 2,828	\$ 2,373	\$ 1,235

Additional A/R from transfer of inventory from (Utopia to Ben Moss)

Transfer to I/C revolver

Ending accounts receivable	\$ 6,073	\$ 8,965	\$ 10,233	\$ 11,143	\$ 14,913	\$ 18,260	\$ 21,998	\$ 28,303	\$ 31,065	\$ 33,893	\$ 36,265	\$ 37,500
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Financing terms - days payable¹

30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	60 Days	30 Days	30 Days	30 Days
60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days

Accounts receivable - Others

Opening	\$ 5,500	\$ 5,212	\$ 4,652	\$ 4,410	\$ 4,015	\$ 4,921	\$ 5,261	\$ 5,322	\$ 6,255	\$ 5,492	\$ 4,915	\$ 5,250
Sales	\$ 362	\$ 977	\$ 428	\$ 307	\$ 1,274	\$ 1,131	\$ 1,263	\$ 2,130	\$ 933	\$ 955	\$ 802	\$ 417
Payments received	\$ (650)	\$ (1,538)	\$ (670)	\$ (703)	\$ (368)	\$ (791)	\$ (1,202)	\$ (1,197)	\$ (1,696)	\$ (1,532)	\$ (467)	\$ (1,356)
Ending accounts receivable	\$ 5,212	\$ 4,652	\$ 4,410	\$ 4,015	\$ 4,921	\$ 5,261	\$ 5,322	\$ 6,255	\$ 5,492	\$ 4,915	\$ 5,250	\$ 4,312

Inventory²

Opening	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890
Purchases	\$ 1,076	\$ 2,902	\$ 1,272	\$ 913	\$ 3,783	\$ 3,359	\$ 3,750	\$ 6,326	\$ 2,772	\$ 2,837	\$ 2,381	\$ 1,239
Cost of goods sold	\$ (1,076)	\$ (2,902)	\$ (1,272)	\$ (913)	\$ (3,783)	\$ (3,359)	\$ (3,750)	\$ (6,326)	\$ (2,772)	\$ (2,837)	\$ (2,381)	\$ (1,239)
Ending inventory	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890	\$ 21,890

Accounts payable trade

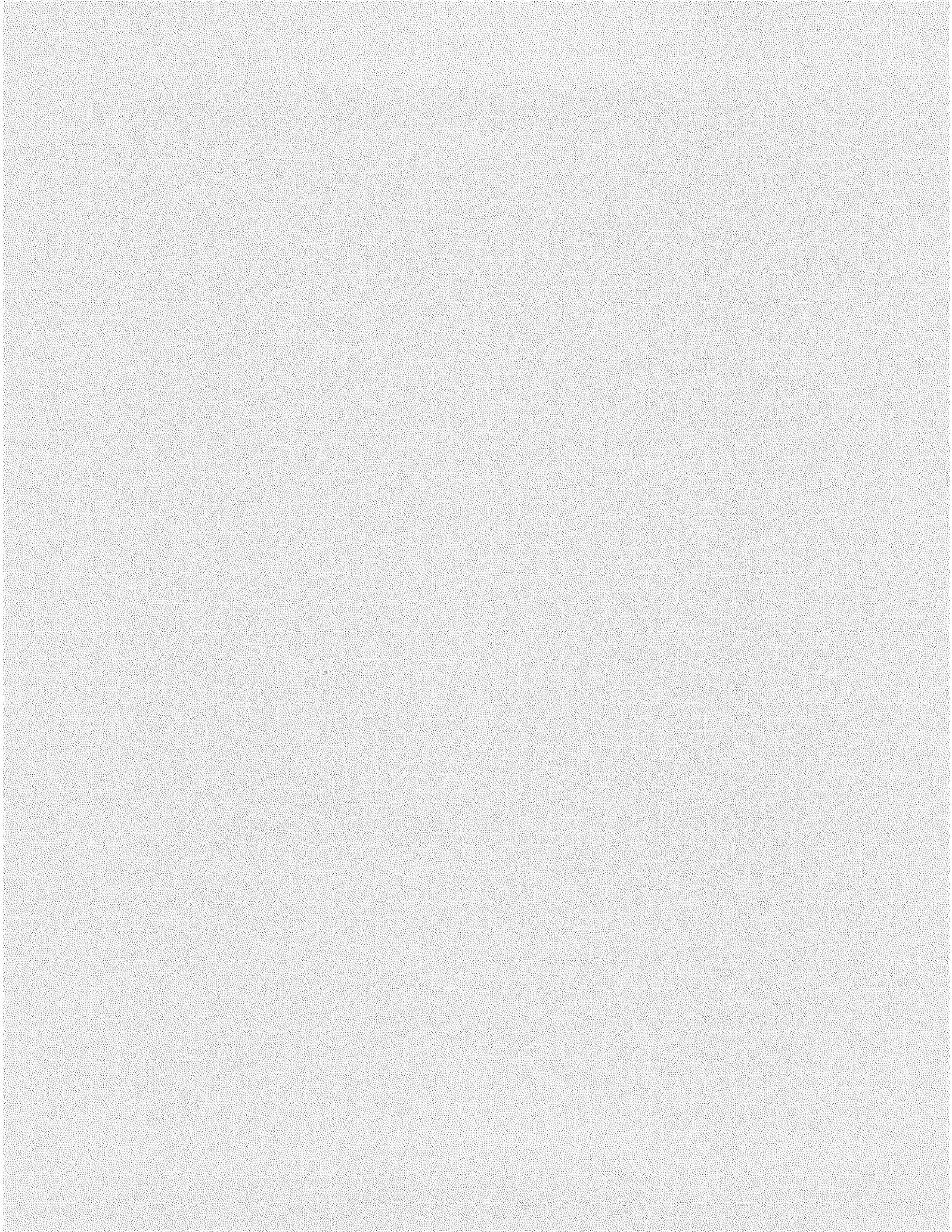
\$ 1,353	\$ 2,039	\$ 2,377	\$ 2,744	\$ 1,995	\$ 1,981	\$ 1,986	\$ 1,989	\$ 2,703	\$ 2,078	\$ 1,950	\$ 2,063
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Notes:

¹ Based on historical terms for J.S.N. Group of Companies.

² Based discussions with JSN Management. JSN orders inventory on a just-in-time basis.

³ Based on 2015 Ben Moss operating budget



2016F Budget												
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Net sales	\$ 513	\$ 948	\$ 743	\$ 1,128	\$ 333	\$ 2,511	\$ 5,074	\$ 2,819	\$ 2,050	\$ 2,716	\$ 4,843	\$ 1,948
Cost of sales	\$ 384	\$ 711	\$ 557	\$ 846	\$ 250	\$ 1,883	\$ 3,805	\$ 2,114	\$ 1,538	\$ 2,037	\$ 3,632	\$ 1,461
Gross margin	128	237	186	282	83	628	1,268	705	513	679	1,211	487
% margin	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Operating expenses												
Advertising and promotion	7	29	0	21	1	0	3	69	44	131	0	85
Travel and trade shows	3	3	3	3	3	3	3	3	3	3	3	3
Meals and entertainment	-	-	-	-	-	-	-	-	-	-	-	-
Commissions	21	38	30	45	13	100	203	113	82	109	194	78
Discounts	14	4	7	6	8	2	19	38	21	15	20	36
Donations	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Insurance	1	1	1	1	1	1	1	1	1	1	1	1
Office and administration wages	4	7	7	7	7	7	7	7	10	7	7	7
Professional fees	1	1	1	1	1	1	1	1	1	1	1	1
EBITDA	51	83	50	84	35	116	237	232	162	268	227	211
% margin	77	154	136	198	48	512	1,031	473	351	411	984	276
	15.1%	16.2%	18.3%	17.5%	14.5%	20.4%	20.3%	16.8%	17.1%	15.1%	20.3%	14.1%
Amortization and depreciation												
Interest expense (income)												
Other income (loss)												
Earnings before taxes												
Income Taxes												
Current												
Future												
Net income	\$ 77	\$ 154	\$ 136	\$ 198	\$ 48	\$ 512	\$ 1,031	\$ 473	\$ 351	\$ 411	\$ 984	\$ 276

#	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Assets												
Current assets												
Cash	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Accounts receivable - trade	3,790	2,011	1,648	2,345	1,832	3,408	7,752	9,148	7,406	6,176	8,584	8,149
Accounts receivable - related	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172
Inventory - consignment	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	8,972	7,193	6,830	7,527	7,014	8,590	12,934	14,330	12,588	11,358	13,766	13,331
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 8,972	\$ 7,193	\$ 6,830	\$ 7,527	\$ 7,014	\$ 8,590	\$ 12,934	\$ 14,330	\$ 12,588	\$ 11,358	\$ 13,766	\$ 13,331
Liabilities												
Current liabilities												
Due to related group party (JSN Canada)	\$ (26,133)	\$ (28,140)	\$ (28,584)	\$ (28,142)	\$ (28,621)	\$ (27,692)	\$ (24,582)	\$ (23,649)	\$ (25,625)	\$ (27,443)	\$ (25,950)	\$ (26,636)
Bank indebtedness (prior to closing)	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities - trade	84	139	83	140	58	193	396	386	209	446	378	352
Accounts payable and accrued liabilities - related	36,162	36,162	36,162	36,162	36,162	36,162	36,162	36,162	36,162	36,162	36,162	36,162
Withholding taxes payable	-	-	-	-	-	-	-	-	-	-	-	-
Income tax payable	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	10,093	8,160	7,661	8,160	7,599	8,664	11,976	12,899	10,806	9,165	10,589	9,878
Due to shareholders	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	10,092	8,160	7,660	8,160	7,599	8,663	11,975	12,899	10,806	9,164	10,589	9,878
Shareholders' Equity												
Capital stock	-	-	-	-	-	0	0	0	0	0	0	0
Retained earnings	(1,121)	(987)	(810)	(633)	(584)	(72)	959	1,432	1,782	2,194	3,178	3,454
Total shareholders' equity	(1,121)	(987)	(810)	(633)	(584)	(72)	959	1,432	1,783	2,194	3,178	3,454
Total liabilities and shareholders' equity	\$ 8,972	\$ 7,193	\$ 6,830	\$ 7,527	\$ 7,015	\$ 8,593	\$ 12,934	\$ 14,331	\$ 12,588	\$ 11,358	\$ 13,767	\$ 13,331

	2016 Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Operating Cash Flow												
Net Income	\$ 77	\$ 154	\$ 136	\$ 198	\$ 48	\$ 512	\$ 1,031	\$ 473	\$ 351	\$ 411	\$ 984	\$ 276
Add: Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Add: Increase (decrease) in Future Taxes	(1,531)	(1,833)	(307)	640	(430)	1,441	4,141	1,406	(1,626)	(1,407)	2,477	(410)
Less: Increase (decrease) in Working Capital	1,608	1,987	443	(442)	479	(929)	(3,110)	(933)	1,977	1,818	(1,493)	686
Net Operating Cash Flow												
Investing Cash Flow												
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Net Investing Cash Flow												
Free Cash Flow Before Financing	1,608	1,987	443	(442)	479	(929)	(3,110)	(933)	1,977	1,818	(1,493)	686
Financing Cash Flow												
ABL												
Due to related group party (JSN Canada)	(1,622)	(1,987)	(443)	442	(479)	929	3,110	933	(1,977)	(1,818)	1,493	(686)
Net Financing Cash Flow	(1,622)	(1,987)	(443)	442	(479)	929	3,110	933	(1,977)	(1,818)	1,493	(686)
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Beginning balance)	24	10	10	10	10	10	10	10	10	10	10	10
Change	(14)	-	-	-	-	-	-	-	-	-	-	-
Cash (Ending balance)	10	10	10	10	10	10	10	10	10	10	10	10

Note:

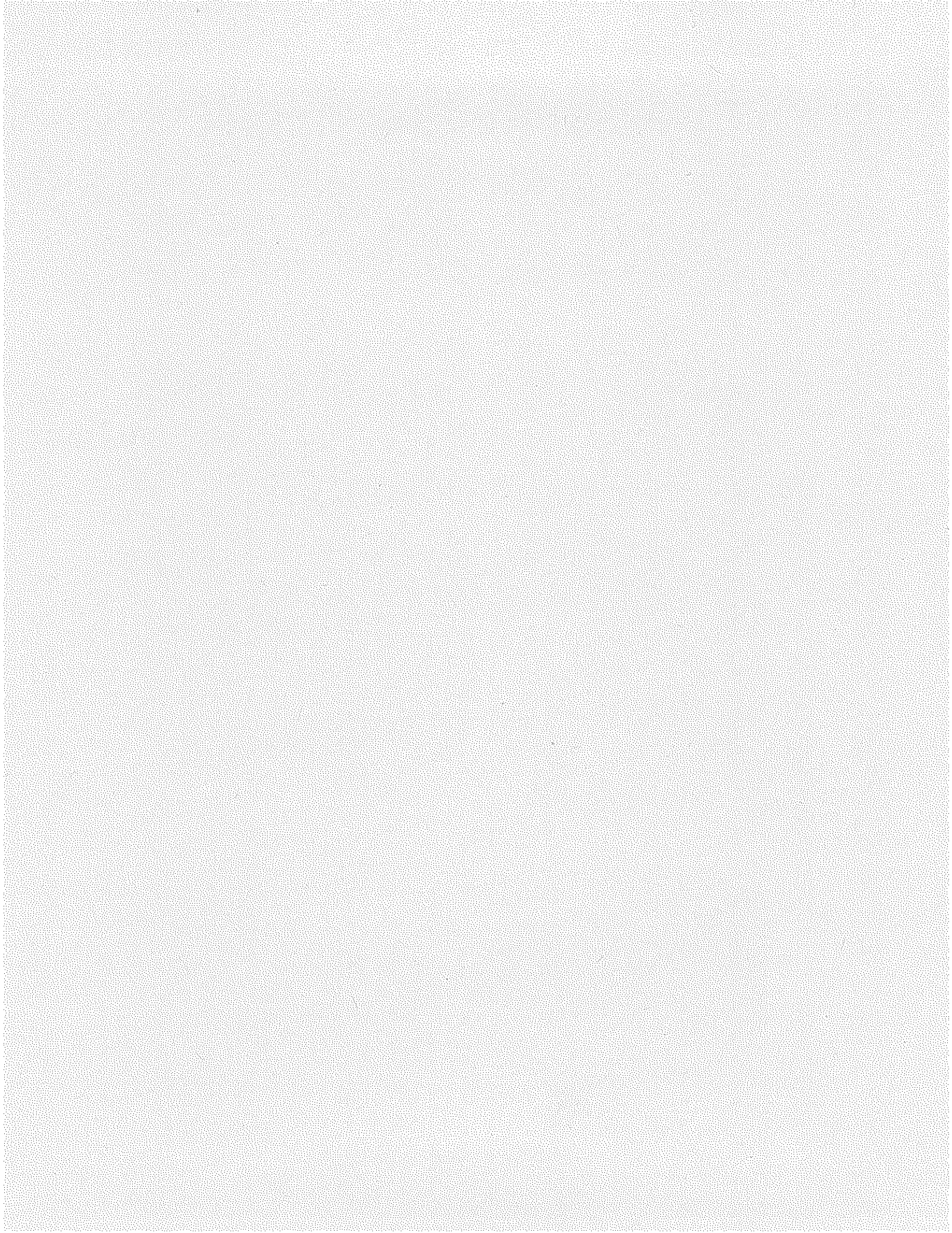
	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Common Stock												
Beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance (repayment)												
Ending balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Working Capital Schedule
 (CAD0000)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Working Capital												
Add: Increase (decrease) in Accounts receivable - trade	\$ (1,738)	\$ (1,779)	\$ (363)	\$ 697	\$ (513)	\$ 1,576	\$ 4,343	\$ 1,397	\$ (1,743)	\$ (1,230)	\$ 2,409	\$ (436)
Add: Increase (decrease) in Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Add: Increase (decrease) in Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Add: Increase (decrease) in Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Accounts payable and accrued liabilities - trade	(207)	\$ 54	(56)	58	(82)	135	202	(10)	(117)	177	(68)	(26)
Less: Increase (decrease) in Income tax payable	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in Working Capital	\$ (1,531)	\$ (1,833)	\$ (307)	\$ 640	\$ (430)	\$ 1,441	\$ 4,141	\$ 1,406	\$ (1,626)	\$ (1,407)	\$ 2,477	\$ (410)
Accounts receivable												
Opening	\$ 5,527	\$ 3,790	\$ 2,011	\$ 1,648	\$ 2,345	\$ 1,832	\$ 3,408	\$ 7,752	\$ 9,148	\$ 7,406	\$ 6,176	\$ 8,504
Sales	\$ 513	\$ 948	\$ 743	\$ 1,128	\$ 333	\$ 2,511	\$ 5,074	\$ 2,819	\$ 2,050	\$ 2,716	\$ 4,843	\$ 1,948
Payments received	\$ (2,250)	\$ (2,727)	\$ (1,106)	\$ (430)	\$ (846)	\$ (935)	\$ (730)	\$ (1,422)	\$ (3,793)	\$ (3,946)	\$ (2,434)	\$ (2,383)
Ending accounts receivable	\$ 3,790	\$ 2,011	\$ 1,648	\$ 2,345	\$ 1,832	\$ 3,408	\$ 7,752	\$ 9,148	\$ 7,406	\$ 6,176	\$ 8,504	\$ 8,149
Inventory ²												
Opening	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172
Purchases	\$ 384	\$ 711	\$ 557	\$ 846	\$ 250	\$ 1,883	\$ 3,805	\$ 2,114	\$ 1,538	\$ 2,037	\$ 3,632	\$ 1,461
Cost of goods sold	\$ (384)	\$ (711)	\$ (557)	\$ (846)	\$ (250)	\$ (1,883)	\$ (3,805)	\$ (2,114)	\$ (1,538)	\$ (2,037)	\$ (3,632)	\$ (1,461)
Ending inventory	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172	\$ 5,172
Accounts payable	\$ 84	\$ 139	\$ 83	\$ 140	\$ 58	\$ 193	\$ 396	\$ 386	\$ 269	\$ 446	\$ 378	\$ 352

Note:

² Based discussions with JSN Management, JSN orders inventory on a just-in-time basis. Inventory balances represent consignment inventory



	2015F Budget												
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Full Year
Net Sales	\$ 415	\$ 2,074	\$ 1,635	\$ 2,147	\$ 1,708	\$ 3,880	\$ 2,611	\$ 5,076	\$ 2,367	\$ 659	\$ 512	\$ 1,318	\$ 24,403
Cost of sales	311	1,556	1,226	1,611	1,281	2,910	1,958	3,807	1,775	494	384	988	18,302
Gross Margin	104	519	409	537	427	970	653	1,269	592	165	128	329	6,101
% margin	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Operating expenses													
Advertising and promotion	19	93	73	96	76	174	117	227	106	29	23	59	1,093
Travel and trade shows	23	23	23	23	23	23	23	23	23	23	23	23	274
Meals and entertainments	2	2	2	2	2	2	2	2	2	2	2	2	19
Commissions	2	12	10	13	10	23	16	30	14	4	3	8	146
Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts (recovery)	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges	2	2	2	2	2	2	2	2	2	2	2	2	29
Computer and consulting	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations	2	2	2	2	2	2	2	2	2	2	2	2	19
Insurance	4	4	4	4	4	4	4	4	4	4	4	4	46
Office and general	6	6	6	6	6	6	6	6	6	6	6	6	76
Management fees	58	58	58	58	58	58	58	58	58	58	58	58	696
Office and administration wages	57	57	57	57	57	57	57	57	57	57	57	57	684
Payroll and benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	10	10	10	10	10	10	10	10	10	10	10	10	114
Rent and utilities	8	8	8	8	8	8	8	8	8	8	8	8	91
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	2	2	2	2	2	2	2	2	2	2	2	2	23
Vehicle expenses	2	2	2	2	2	2	2	2	2	2	2	2	23
Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-
	195	280	257	283	261	371	307	432	295	208	200	241	3,331
													2,635
EBITDA	(92)	239	151	253	166	599	346	837	297	(43)	(72)	88	2,769
% margin	-22.1%	11.5%	9.3%	11.8%	9.7%	15.4%	13.2%	16.5%	12.6%	-6.5%	-14.1%	6.7%	
Amortization and depreciation	1	1	1	1	1	1	1	1	1	1	1	1	15
Interest expense (income)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Taxes	(93)	238	150	252	165	597	345	836	296	(44)	(74)	87	2,754
Income Taxes													
Current	-	-	-	-	-	-	-	-	-	-	-	-	0
Future	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ (93)	\$ 238	\$ 150	\$ 252	\$ 165	\$ 597	\$ 345	\$ 836	\$ 296	\$ (44)	\$ (74)	\$ 87	\$ 2,754

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Assets												
Current assets												
Cash	\$ 373	\$ 373	\$ 373	\$ 373	\$ 373	\$ 373	\$ 373	\$ 373	\$ 373	\$ 373	\$ 373	\$ 373
Accounts receivable - trade	3,922	5,789	6,179	6,472	6,289	8,241	8,058	9,888	8,412	6,533	4,678	5,081
Accounts receivable - related	5,978	5,978	5,978	5,978	5,978	5,978	5,978	5,978	5,978	5,978	5,978	5,978
Inventory	300	300	300	300	300	300	300	300	300	300	300	300
Inventory - consignment	617	617	617	617	617	617	617	617	617	617	617	617
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	3,716	3,716	3,716	3,716	3,716	3,716	3,716	3,716	3,716	3,716	3,716	3,716
Total current assets	14,906	16,773	17,163	17,456	17,273	19,225	19,042	20,872	19,396	17,517	15,662	16,065
Capital assets												
Other assets	82	80	79	78	77	75	74	73	72	70	69	68
Total Assets	\$ 14,988	\$ 16,853	\$ 17,242	\$ 17,534	\$ 17,350	\$ 19,301	\$ 19,116	\$ 20,945	\$ 19,468	\$ 17,587	\$ 15,731	\$ 16,133
Liabilities												
Current liabilities												
Due to Parent (JSN Canada)	\$ (8,080)	\$ (6,494)	\$ (5,976)	\$ (5,803)	\$ (5,874)	\$ (4,839)	\$ (5,163)	\$ (4,533)	\$ (5,881)	\$ (7,445)	\$ (9,194)	\$ (8,990)
Bank indebtedness (prior to closing)	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities - trade	7,364	7,418	7,151	7,029	6,762	7,093	6,900	7,275	6,862	6,601	6,579	6,702
Accounts payable and accrued liabilities - related	(3,746)	(3,746)	(3,746)	(3,746)	(3,746)	(3,746)	(3,746)	(3,746)	(3,746)	(3,746)	(3,746)	(3,746)
Withholding taxes payable	-	-	-	-	-	-	-	-	-	-	-	-
Income tax payable	429	429	429	429	429	429	429	429	429	429	429	429
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	(4,033)	(2,393)	(2,142)	(2,091)	(2,428)	(1,063)	(1,560)	(975)	(2,337)	(4,161)	(5,931)	(5,605)
Due to related party	-	-	-	-	-	-	-	-	-	-	-	-
Due to shareholders (MD)	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	(2,528)	(868)	(637)	(586)	(923)	442	(75)	930	(832)	(2,656)	(4,426)	(4,100)
Shareholders' Equity												
Capital stock	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342
Retained earnings	14,173	14,399	14,537	14,777	14,930	15,516	15,849	16,673	16,957	16,901	16,815	16,891
Total shareholders' equity	17,515	17,741	17,879	18,120	18,273	18,858	19,191	20,015	20,299	20,243	20,158	20,233
Total liabilities and shareholders' equity	\$ 14,988	\$ 16,853	\$ 17,242	\$ 17,534	\$ 17,350	\$ 19,300	\$ 19,116	\$ 20,945	\$ 19,468	\$ 17,587	\$ 15,731	\$ 16,133

JSN Group

J.S.N. Jewellery UK Ltd.

Cash Flow Statement

(CAD000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Operating Cash Flow												
Net Income	\$ (93)	\$ 238	\$ 150	\$ 252	\$ 165	\$ 597	\$ 345	\$ 836	\$ 296	\$ (44)	\$ (74)	\$ 87
Add: Depreciation & Amortization	1	1	1	1	1	1	1	1	1	1	1	1
Add: Increase (decrease) in Future Taxes												
Less: Increase (decrease) in Working Capital	(4,688)	1,813	657	415	84	1,621	10	1,455	(1,063)	(1,619)	(1,832)	280
Less: Obligations Under Capital Lease	-	-	-	-	-	-	-	-	-	-	-	-
Less: Amortization of leasehold inducements	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in deferred service plan revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Cash Flow	4,597	(1,574)	(506)	(161)	82	(1,023)	336	(618)	1,360	1,576	1,760	(192)
Investing Cash Flow												
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Net Investing Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow Before Financing	4,597	(1,574)	(506)	(161)	82	(1,023)	336	(618)	1,360	1,576	1,760	(192)
Financing Cash Flow												
ABL												
Due to Parent	(4,585)	1,586	518	173	(70)	1,035	(324)	630	(1,348)	(1,564)	(1,748)	204
Common Stock	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Net Financing Cash Flow	(4,597)	1,574	506	161	(82)	1,023	(336)	618	(1,360)	(1,576)	(1,760)	192
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Beginning balance)	373	373	373	373	373	373	373	373	373	373	373	373
Change												
Cash (Ending balance)	373	373	373	373	373	373	373	373	373	373	373	373

Capital Expenditures Schedule

(CAD0000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Capital Assets												
Book Value (Beginning of Period)	\$ 263	\$ 263	\$ 263	\$ 263	\$ 263	\$ 263	\$ 263	\$ 263	\$ 263	\$ 263	\$ 263	\$ 263
Capital Expenditures												
Book Value (End of Period)	263	263	263	263	263	263	263	263	263	263	263	263
Accumulated Depreciation	181	183	184	185	186	188	189	190	191	193	194	195
Net - Capital Assets	\$ 82	\$ 80	\$ 79	\$ 78	\$ 77	\$ 75	\$ 74	\$ 73	\$ 72	\$ 70	\$ 69	\$ 68
Depreciation Expense - Capital Assets												
Existing Assets	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
New capital expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense - Capital Assets	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
CapEx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Depreciation	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

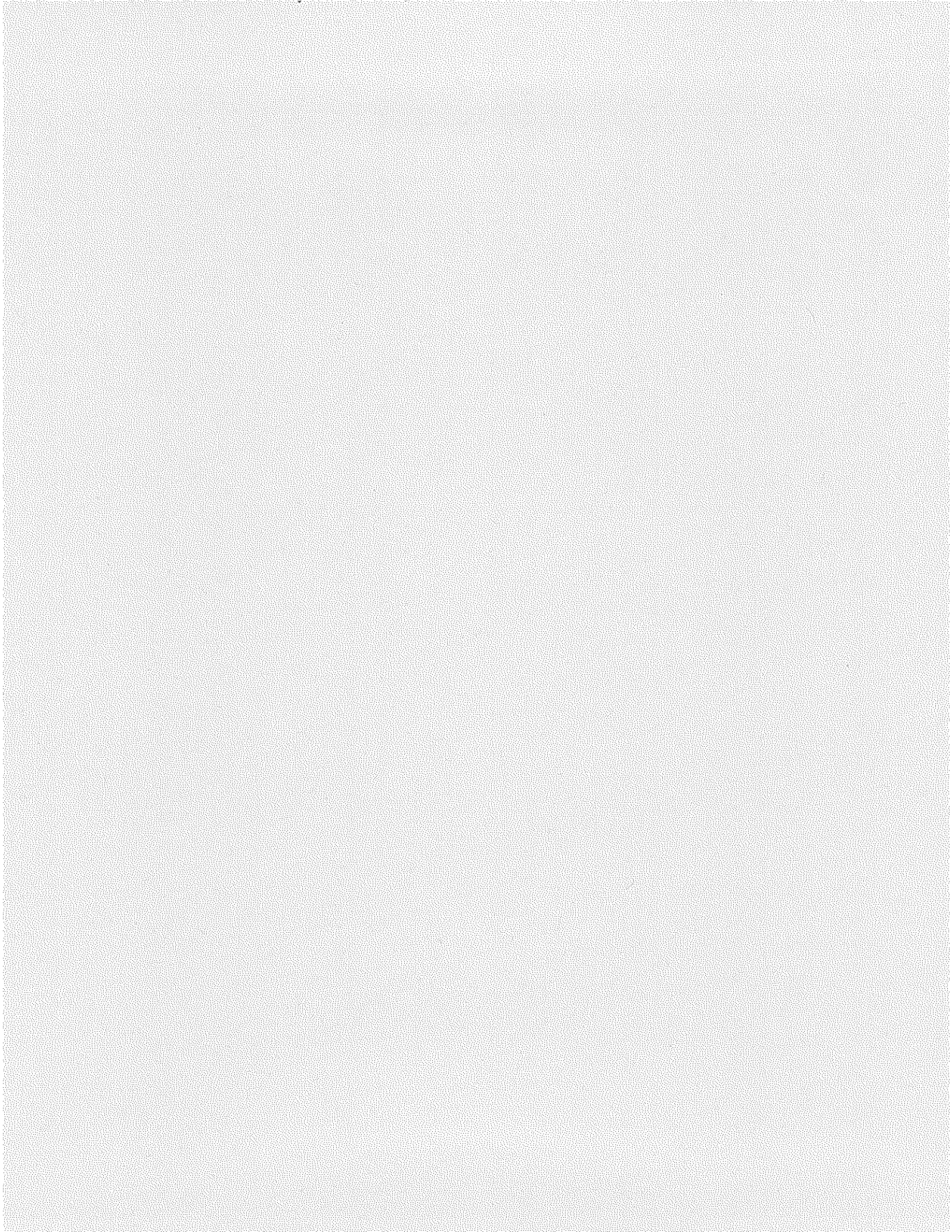
2016F Budget												
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Cash												
Beginning balance	\$ 373	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Net Cash Flow	(323)	-	-	-	-	-	-	-	-	-	-	-
Ending balance	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Interest												
Free Cash Flow												
FCF Before Debt Issuance (repayment)	\$ 4,597	\$ (1,574)	\$ (506)	\$ (161)	\$ 82	\$ (1,023)	\$ 336	\$ (618)	\$ 1,360	\$ 1,576	\$ 1,760	\$ (192)
Debt/Equity Issuance (repayment)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
FCF	\$ 4,585	\$ (1,586)	\$ (518)	\$ (173)	\$ 70	\$ (1,035)	\$ 324	\$ (630)	\$ 1,348	\$ 1,564	\$ 1,748	\$ (204)
Due to Parent¹												
Beginning balance	\$ (3,495)	\$ (8,080)	\$ (6,494)	\$ (5,976)	\$ (5,803)	\$ (5,874)	\$ (4,839)	\$ (5,163)	\$ (4,533)	\$ (5,881)	\$ (7,445)	\$ (9,194)
Issuance (repayment)	(4,585)	1,586	518	173	(70)	1,035	(324)	630	(1,348)	(1,564)	(1,748)	204
Ending balance	\$ (8,080)	\$ (6,494)	\$ (5,976)	\$ (5,803)	\$ (5,874)	\$ (4,839)	\$ (5,163)	\$ (4,533)	\$ (5,881)	\$ (7,445)	\$ (9,194)	\$ (8,990)
Interest												
Spread												
0.00%												
Obligations under capital leases												
Beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance (repayment)	-	-	-	-	-	-	-	-	-	-	-	-
Ending balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest												
Total interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Common Stock												
Beginning balance	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342
Issuance (repayment)												
Ending balance	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342	\$ 3,342
Dividends	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12

Working Capital Schedule

(CAD0003)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Working Capital												
Add: Increase (decrease) in Accounts receivable - trade	\$ 415	\$ 1,867	\$ 380	\$ 293	\$ (183)	\$ 1,952	\$ (183)	\$ 1,830	\$ (1,476)	\$ (1,879)	\$ (1,855)	\$ 403
Add: Increase (decrease) in Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Add: Increase (decrease) in Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Add: Increase (decrease) in Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Accounts payable and accrued liabilities - trade	5,103	54	(287)	(122)	(267)	331	(193)	375	(414)	(260)	(22)	123
Less: Increase (decrease) in Income tax payable	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in Working Capital	\$ (4,688)	\$ 1,813	\$ 657	\$ 415	\$ 84	\$ 1,621	\$ 10	\$ 1,455	\$ (1,063)	\$ (1,619)	\$ (1,832)	\$ 280
Financing terms - days payable¹												
Accounts receivable												
Opening	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	60 Days	60 Days	30 Days	30 Days
Sales	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days
Payments received	\$ 3,507	\$ 3,922	\$ 5,789	\$ 6,179	\$ 6,472	\$ 6,289	\$ 8,241	\$ 8,058	\$ 9,888	\$ 8,412	\$ 6,533	\$ 4,678
Ending accounts receivable	\$ 415	\$ 2,074	\$ 1,635	\$ 2,147	\$ 1,708	\$ 3,880	\$ 2,611	\$ 5,076	\$ 2,367	\$ 659	\$ 512	\$ 1,318
	\$ -	\$ (207)	\$ (1,245)	\$ (1,855)	\$ (1,892)	\$ (1,928)	\$ (2,794)	\$ (3,246)	\$ (3,843)	\$ (2,598)	\$ (2,367)	\$ (915)
	\$ 3,922	\$ 5,789	\$ 6,179	\$ 6,472	\$ 6,289	\$ 8,241	\$ 8,058	\$ 9,888	\$ 8,412	\$ 6,533	\$ 4,678	\$ 5,081
Inventory²												
Opening	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917
Purchases	\$ 311	\$ 1,556	\$ 1,226	\$ 1,611	\$ 1,281	\$ 2,910	\$ 1,958	\$ 3,807	\$ 1,775	\$ 494	\$ 384	\$ 988
Cost of goods sold	\$ (311)	\$ (1,556)	\$ (1,226)	\$ (1,611)	\$ (1,281)	\$ (2,910)	\$ (1,958)	\$ (3,807)	\$ (1,775)	\$ (494)	\$ (384)	\$ (988)
Ending inventory	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917
Accounts payable												
	\$ 1,386	\$ 1,439	\$ 1,172	\$ 1,050	\$ 783	\$ 1,114	\$ 921	\$ 1,296	\$ 884	\$ 623	\$ 601	\$ 724



	2016F Budget												
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Full Year
Net sales	\$ 1,772	\$ 5,169	\$ 3,055	\$ 3,369	\$ 5,314	\$ 8,152	\$ 9,514	\$ 12,247	\$ 6,085	\$ 5,368	\$ 6,397	\$ 3,688	\$ 70,131
Cost of sales	1,992	5,339	3,275	3,589	5,534	8,372	9,734	12,467	6,305	5,588	6,617	3,908	72,771
Gross margin	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(2,640)
% margin	-12.4%	-4.3%	-7.2%	-6.5%	-4.1%	-2.7%	-2.3%	-1.8%	-3.6%	-4.1%	-3.4%	-6.0%	-58.5%
Operating expenses													
Advertising and promotion	5	5	5	5	5	5	5	5	5	5	5	5	60
Travel and trade shows	13	13	13	13	13	13	13	13	13	13	13	13	160
Meals and entertainments	0	0	0	0	0	0	0	0	0	0	0	0	5
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-
Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts (recovery)	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges	3	3	3	3	3	3	3	3	3	3	3	3	36
Computer and consulting	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations	3	3	3	3	3	3	3	3	3	3	3	3	37
Insurance	5	5	5	5	5	5	5	5	5	5	5	5	60
Office and general	4	4	4	4	4	4	4	4	4	4	4	4	45
Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Office and administration wages	18	18	18	18	18	18	18	18	18	18	18	18	218
Payroll and benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent and utilities	3	3	3	3	3	3	3	3	3	3	3	3	30
Repairs and maintenance	6	6	6	6	6	6	6	6	6	6	6	6	72
Telephone	4	4	4	4	4	4	4	4	4	4	4	4	47
Vehicle expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	64	64	64	64	64	64	64	64	64	64	64	64	770
% margin	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(3,410)
	-16.0%	-5.5%	-9.3%	-8.4%	-5.3%	-3.5%	-3.0%	-2.3%	-4.7%	-5.3%	-4.4%	-7.7%	-75.5%
Amortization and depreciation	11	11	11	11	11	11	11	11	11	11	11	11	135
Interest expense (income)	20	10	10	21	10	12	22	14	12	12	12	12	166
Other income (loss)													
Earnings before taxes	(315)	(305)	(305)	(316)	(305)	(307)	(317)	(310)	(307)	(307)	(307)	(307)	(3,711)
Income Taxes													
Current	-	-	-	-	-	-	-	-	-	-	-	-	-
Future	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ (315)	\$ (305)	\$ (305)	\$ (316)	\$ (305)	\$ (307)	\$ (317)	\$ (310)	\$ (307)	\$ (307)	\$ (307)	\$ (307)	\$ (3,711)

Balance Sheet
(CAD000s)

	2016F Budget											
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-14	Feb-14	Mar-14
Assets												
Current assets												
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable - trade	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable - related	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Inventory - consignment	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets												
Prepaid leases	-	-	-	-	-	-	-	-	-	-	-	-
Long term receivables group related party	-	-	-	-	-	-	-	-	-	-	-	-
Long term receivables	-	-	-	-	-	-	-	-	-	-	-	-
Due from parent (inventory transfer to JSN Co	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Due from subsidiary (revolver)	-	-	-	-	-	-	-	-	-	-	-	-
Due from related group party (revolver)	-	-	-	-	-	-	-	-	-	-	-	-
Due from subsidiary (shareholder loans)	-	-	-	-	-	-	-	-	-	-	-	-
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liabilities												
Current liabilities												
Due to related group party (JSN Canada)	\$ 304	\$ 598	\$ 892	\$ 1,197	\$ 1,491	\$ 1,787	\$ 2,093	\$ 2,392	\$ 2,688	\$ 2,984	\$ 3,280	\$ 3,576
Bank indebtedness	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities -	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities -	-	-	-	-	-	-	-	-	-	-	-	-
Withholding taxes payable	-	-	-	-	-	-	-	-	-	-	-	-
Income tax payable	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	304	598	892	1,197	1,491	1,787	2,093	2,392	2,688	2,984	3,280	3,576
Deferred lease inducements	-	-	-	-	-	-	-	-	-	-	-	-
Deferred service plan revenue	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Due to related group party (inventory transfa	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan A	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan B	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan C	-	-	-	-	-	-	-	-	-	-	-	-
Due to related group party	-	-	-	-	-	-	-	-	-	-	-	-
Due to related party	-	-	-	-	-	-	-	-	-	-	-	-
Due to shareholders	-	-	-	-	-	-	-	-	-	-	-	-
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	304	598	892	1,197	1,491	1,787	2,093	2,392	2,688	2,984	3,280	3,576
Shareholders' Equity												
Capital stock	-	-	-	-	-	-	-	-	-	-	-	-

Retained earnings	(304)	(598)	(692)	(1,197)	(1,491)	(1,787)	(2,093)	(2,392)	(2,688)	(2,984)	(3,280)	(3,576)
Total shareholders' equity	(304)	(598)	(692)	(1,197)	(1,491)	(1,787)	(2,093)	(2,392)	(2,688)	(2,984)	(3,280)	(3,576)
Total liabilities and shareholders' equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Operating Cash Flow												
Net Income	\$ (315)	\$ (305)	\$ (306)	\$ (316)	\$ (305)	\$ (307)	\$ (317)	\$ (310)	\$ (307)	\$ (307)	\$ (307)	\$ (307)
Add: Depreciation & Amortization	11	11	11	11	11	11	11	11	11	11	11	11
Add: Increase (decrease) in Future Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Working Capital	-	-	-	-	-	-	-	-	-	-	-	-
Less: Obligations Under Capital Lease	-	-	-	-	-	-	-	-	-	-	-	-
Less: Amortization of lessehold inducements	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in deferred service plan revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Cash Flow	(304)	(294)	(294)	(305)	(294)	(296)	(306)	(298)	(296)	(296)	(296)	(296)
Investing Cash Flow												
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Net Investing Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow Before Financing	(304)	(294)	(294)	(305)	(294)	(296)	(306)	(298)	(296)	(296)	(296)	(296)
Financing Cash Flow												
ASL												
Due to related group party (JSN Canada)	304	294	294	305	294	296	306	298	296	296	296	296
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Bank indebtedness	-	-	-	-	-	-	-	-	-	-	-	-
Net Financing Cash Flow	304	294	294	305	294	296	306	298	296	296	296	296
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Beginning balance)	-	-	-	-	-	-	-	-	-	-	-	-
Change	-	-	-	-	-	-	-	-	-	-	-	-
Cash (Ending balance)	-	-	-	-	-	-	-	-	-	-	-	-

Capital Expenditures Schedule
(CAD0000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Capital Assets												
Book Value (Beginning of Period)	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254	\$ 4,254
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Book Value (End of Period)	4,254	4,254	4,254	4,254	4,254	4,254	4,254	4,254	4,254	4,254	4,254	4,254
Accumulated Depreciation	3,525	3,536	3,548	3,559	3,570	3,581	3,592	3,604	3,615	3,626	3,637	3,649
Net - Capital Assets	\$ 729	\$ 718	\$ 706	\$ 695	\$ 684	\$ 673	\$ 662	\$ 650	\$ 639	\$ 628	\$ 617	\$ 605
Depreciation Expense - Capital Assets												
Existing Assets	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
New capital expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense - Capital Assets	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11

Intangible Assets

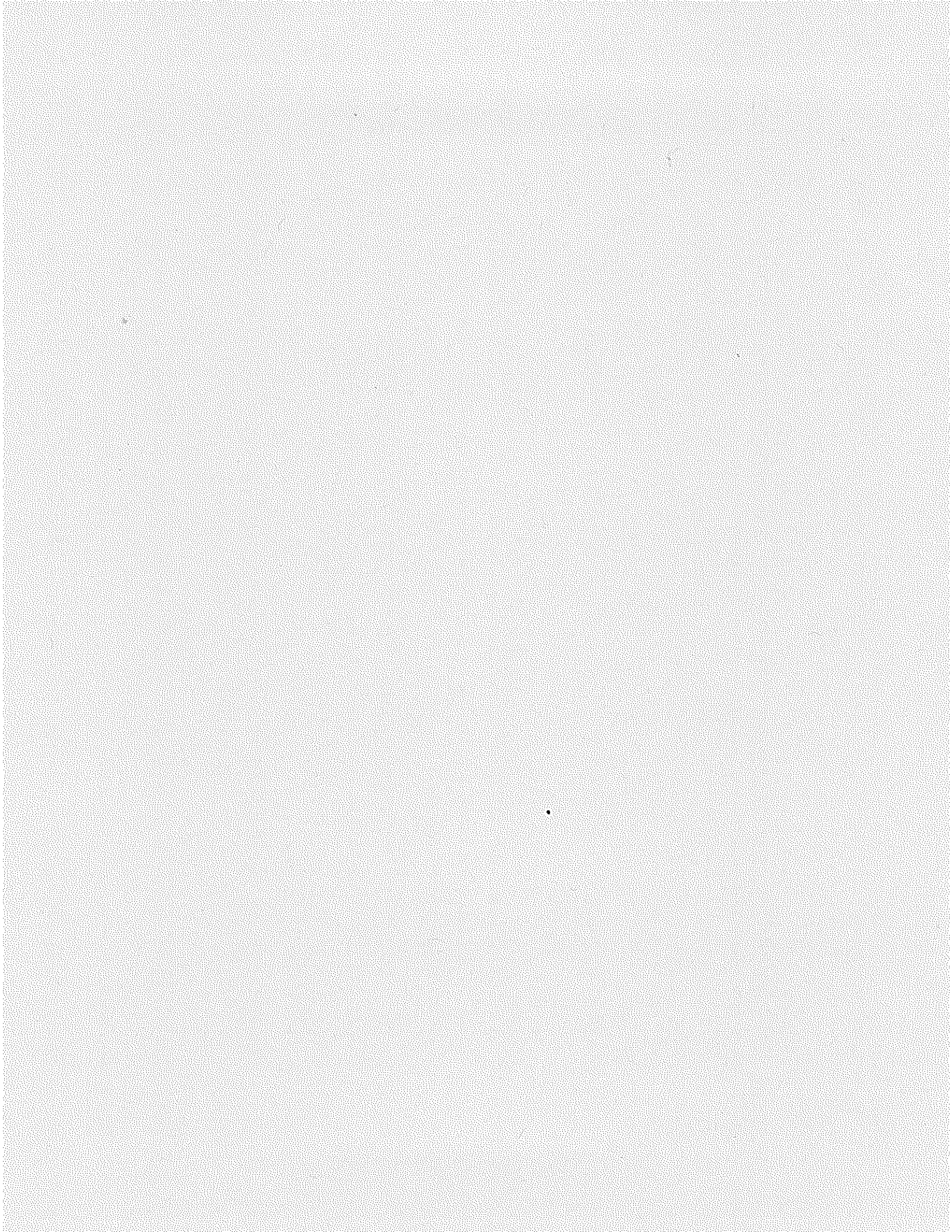
Book Value (Beginning of Period)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Book Value (End of Period)	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net - Intangible Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation Expense - Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-

[illegible]

Working Capital Schedule

(CADDOCS)

[illegible]



	2015F											
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Net sales	\$ (2,844)	\$ (8,062)	\$ (4,323)	\$ (4,279)	\$ (9,084)	\$ (11,500)	\$ (13,251)	\$ (18,552)	\$ (8,847)	\$ (8,196)	\$ (8,770)	\$ (4,923)
Cost of sales	(2,844)	(8,062)	(4,323)	(4,279)	(9,084)	(11,500)	(13,251)	(18,552)	(8,847)	(8,196)	(8,770)	(4,923)
Gross margin												
% margin												
Operating expenses												
Management fees	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)
Office and administration wages and benefits	58	58	58	58	58	58	58	58	58	58	58	58
Utopia - operating costs												
Store operating costs - Ben Moss												
Administrative costs - Ben Moss												

EBITDA
% margin

JSN Group

Intercompany Adjustments (Incl BM)

Balance Sheet

(CAD000s)

	2015F											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Assets												
Current assets												
Cash												
Accounts receivable - trade												
Accounts receivable - related												
Inventory												
Inventory - consignment												
Prepaid expenses												
Other current assets												
Total current assets	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets												
Prepaid leases												
Long term receivables group related party												
Long term receivables												
Due from parent (inventory transfer to JSN Canada)												
Investment in subsidiary - BM & UK	(23,137)	(23,137)	(23,137)	(23,137)	(23,137)	(23,137)	(23,137)	(23,137)	(23,137)	(23,137)	(23,137)	(23,137)
Due from subsidiary (revolver)	20,300	23,015	21,887	18,637	18,864	14,889	10,562	9,101	26,132	25,529	23,395	21,995
Due from related group party (revolver)												
Due from subsidiary (shareholder loans BM)	(23,945)	(23,945)	(23,945)	(23,945)	(23,945)	(23,945)	(23,945)	(23,945)	(23,945)	(23,945)	(23,945)	(23,945)
Future income taxes												
Intangible assets												
Goodwill												
Other assets												
Total Assets	\$ (26,782)	\$ (24,066)	\$ (25,195)	\$ (28,444)	\$ (28,218)	\$ (32,192)	\$ (36,520)	\$ (37,981)	\$ (20,949)	\$ (21,553)	\$ (23,687)	\$ (25,087)
Liabilities												
Current liabilities												
Due to Parent	\$ 20,300	\$ 23,015	\$ 21,887	\$ 18,637	\$ 18,864	\$ 14,889	\$ 10,562	\$ 9,101	\$ 26,132	\$ 25,529	\$ 23,395	\$ 21,995
Bank indebtedness (prior to closing)												
Accounts payable and accrued liabilities - trade												
Accounts payable and accrued liabilities - related	1	1	1	1	1	1	1	1	1	1	1	1
Withholding taxes payable												
Income tax payable												
Unearned revenue												
Other current liabilities												
Total current liabilities	20,301	23,016	21,888	18,638	18,865	14,890	10,563	9,102	26,133	25,530	23,396	21,996
Deferred lease inducements												
Deferred service plan revenue												
Obligations under capital leases												
Notes payable												
Long-term debt												
Due to related group party (inventory transfer from Utopia)												
Term Loan A												

Intercompany Adjustments (incl BM)

Intercompany Adjustments (incl BM)

Term Loan C

Due to related party

Future income taxes

Total liabilities

Shareholders' Equity

Retained earnings

Total liabilities and sharehold

(a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) (q) (r) (s) (t) (u) (v) (w) (x) (y) (z)

JSN Group

Intercompany Adjustments (incl BM)

Cash Flow Statement

(CAD000s)

	2015F											
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-14	Feb-14	Mar-14
Operating Cash Flow												
Net Income												
Add: Depreciation & Amortization												
Add: Increase (decrease) in Future Taxes												
Less: Increase (decrease) in Working Capital												
Less: Obligations Under Capital Lease												
Less: Amortization of leasehold inducements												
Less: Increase in deferred service plan revenue												
Net Operating Cash Flow												
Investing Cash Flow												
Capital Expenditures												
Net Investing Cash Flow												
Free Cash Flow Before Financing												
Financing Cash Flow												
Due to Parent												
Due from subsidiary (revolver)												
Due from related group party (revolver)												
Term Loan A												
Term Loan B												
Due from subsidiary (shareholder loans)												
Due from parent (inventory transfer to JSN Canada)												
Common Stock												
Dividends												
Net Financing Cash Flow												
Net Cash Flow												
Cash (Beginning balance)												
Change												
Cash (Ending balance)												

the 1990s, the number of people in the world who are under 15 years of age is expected to increase by 1.5 billion (United Nations 1994).

There is a growing awareness of the need to provide a better quality of life for children in the world. The United Nations Convention on the Rights of the Child (1989) has been signed by 112 countries, and the United Nations Development Programme (1990) has produced a list of 100 indicators of child development. The World Bank (1990) has also produced a list of 100 indicators of child development.

The purpose of this paper is to review the current state of knowledge about the development of children in the world, and to discuss the implications for policy and practice.

The paper is organized as follows. First, we discuss the current state of knowledge about the development of children in the world. Second, we discuss the implications for policy and practice.

The current state of knowledge about the development of children in the world is based on a number of sources. First, there is a growing body of research on the development of children in the world. Second, there is a growing body of research on the development of children in the world.

The implications for policy and practice are discussed in the second part of the paper. The implications for policy and practice are discussed in the second part of the paper.

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JSN Group

JSN Group Combined, Excluding Ben Moss

Revenue & Operating Expense Schedule

(\$CA0000s)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Full Year
Net sales	\$ 2,362	\$ 6,892	\$ 4,074	\$ 4,492	\$ 7,085	\$ 10,870	\$ 12,685	\$ 16,330	\$ 8,113	\$ 7,158	\$ 8,530	\$ 4,917	\$ 93,508
Cost of sales	1,992	5,389	3,275	3,589	5,534	8,372	9,734	12,467	6,305	5,588	6,617	3,908	72,771
Gross margin	371	1,503	798	903	1,551	2,497	2,951	3,862	1,808	1,569	1,912	1,009	20,737
% margin	15.7%	21.8%	19.6%	20.1%	21.9%	23.0%	23.3%	23.7%	22.3%	21.9%	22.4%	20.5%	22.2%
Operating expenses													
Advertising and promotion	45	243	148	122	100	201	143	509	173	173	76	160	2,093
Travel and trade shows	84	84	111	84	84	84	84	84	84	84	84	84	1,030
Meals and entertainments	8	8	8	8	8	8	8	8	8	8	8	8	96
Commissions	29	66	46	63	44	142	239	177	111	128	209	92	1,345
Discounts	14	4	7	6	8	2	19	38	21	15	20	36	190
Bad debts (recovery)	1	1	1	1	1	1	1	1	1	1	1	1	12
Bank charges	19	19	19	19	19	19	19	19	19	22	22	22	242
Computer and consulting	14	14	14	14	14	14	14	14	14	14	14	14	170
Donations	14	14	14	14	14	14	14	14	14	14	14	14	169
Insurance	25	25	25	25	25	25	25	25	25	25	25	25	301
Office and general	23	23	23	23	23	23	23	23	23	23	23	23	281
Management fees	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Office and administration wages	304	312	312	312	312	312	315	315	317	315	315	315	3,753
Payroll and benefits	75	75	75	90	75	75	75	110	110	75	75	75	985
Professional fees	155	152	137	137	114	114	114	114	114	114	114	114	1,491
Rent and utilities	28	28	28	28	28	28	28	28	28	28	28	28	337
Repairs and maintenance	9	9	9	9	9	9	9	9	9	9	9	9	108
Telephone	12	12	12	12	12	12	12	12	12	12	12	12	142
Vehicle expenses	9	9	9	9	9	9	9	9	9	9	9	9	107
Bonus	1	1	1	1	1	1	1	1	1	1	1	1	12
Utopia - operating costs	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	590	1,219	1,119	1,097	1,021	1,213	1,271	1,629	1,213	1,190	1,179	1,162	14,304
% margin	(619)	284	(321)	(194)	531	1,284	1,680	2,233	595	380	733	(153)	6,433
	-26.2%	4.1%	-7.9%	-4.3%	7.5%	11.8%	13.2%	13.7%	7.3%	5.3%	8.6%	-3.1%	6.9%
Amortization and depreciation	128	128	128	128	128	128	128	128	128	128	128	128	1,538
Interest expense (income)	433	415	409	415	404	406	410	404	379	351	362	377	4,765
Other income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings before taxes	(1,180)	(260)	(857)	(737)	(1)	750	1,142	1,701	88	(100)	243	(658)	130
Income Taxes													
Current	-	-	-	-	-	-	-	-	-	-	-	-	-
Future	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ (1,180)	\$ (260)	\$ (857)	\$ (737)	\$ (1)	\$ 750	\$ 1,142	\$ 1,701	\$ 88	\$ (100)	\$ 243	\$ (658)	\$ 130

JSN Group

JSN Group Combined, Excluding Ben Moss

Balance Sheet

(CAD000s)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
	2016F Budget											
Assets												
Current assets												
Cash	883	883	883	883	883	883	883	883	883	883	883	883
Accounts receivable - trade	12,924	12,451	12,237	12,832	13,042	16,910	21,131	25,291	21,309	17,624	18,513	17,541
Accounts receivable - related	43,421	40,106	41,160	43,795	44,117	46,128	47,670	47,568	33,861	37,847	40,236	42,118
Inventory	15,273	15,273	15,273	15,273	15,273	15,273	15,273	15,273	15,273	15,273	15,273	15,273
Inventory - consignment	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706
Prepaid expenses	151	145	41	49	43	36	90	84	78	92	86	80
Other current assets	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816
Total current assets	88,173	85,380	86,116	89,354	89,880	95,753	101,569	105,621	87,927	88,241	91,513	92,417
Capital assets												
Prepaid leases	468	463	456	449	442	434	429	422	414	407	400	392
Long term receivables group related party	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329
Long term receivables	824	824	824	824	824	824	824	824	824	824	824	824
Due from parent (Inventory transfer to JSN Canada)	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Due from subsidiary (revolver)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)
Due from related group party (revolver)	-	-	-	-	-	-	-	-	-	-	-	-
Due from subsidiary (shareholder loans)	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945	23,945
Future income taxes	1,817	1,708	1,598	1,488	1,379	1,269	1,160	1,050	940	831	721	611
Intangible assets												
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Other assets												
Total Assets	\$ 122,948	\$ 120,041	\$ 120,660	\$ 123,780	\$ 124,190	\$ 129,946	\$ 135,647	\$ 139,562	\$ 121,771	\$ 121,968	\$ 125,123	\$ 125,910
Liabilities												
Current liabilities												
ABL	49,090	46,012	46,841	47,047	47,358	47,555	48,416	49,040	38,786	40,719	44,235	47,532
Bank indebtedness (prior to closing)	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities - trade	8,802	9,595	9,610	9,913	8,815	9,267	9,281	9,650	9,834	9,126	8,908	9,117
Accounts payable and accrued liabilities - related	16,604	16,242	17,450	20,799	21,997	27,092	30,777	32,019	24,927	24,000	23,616	22,291
Withholding taxes payable	-	-	-	-	-	-	-	-	-	-	-	-
Income tax payable	429	429	429	429	429	429	429	429	429	429	429	429
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	74,925	72,277	74,329	78,188	78,599	84,343	88,903	91,138	73,976	74,274	77,187	79,370
Due to subsidiary (transfer of inventory from Utopia)	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan A	5,750	5,750	5,500	5,500	5,500	5,250	5,250	5,250	5,000	5,000	5,000	4,750
Term Loan B	6,610	6,610	6,285	6,285	6,285	5,798	5,798	5,798	5,310	5,310	5,310	4,823
Term Loan C	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448
Due to related group party	-	-	-	-	-	-	-	-	-	-	-	-
Due to related party	-	-	-	-	-	-	-	-	-	-	-	-
Due to shareholders	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities												
Total liabilities	102,921	100,273	101,750	105,608	106,020	111,026	115,586	117,821	99,922	100,219	103,133	104,578

JSN Group Combined, Excluding Ben Moss

Capital stock

Total liabilities and shareholders' equity

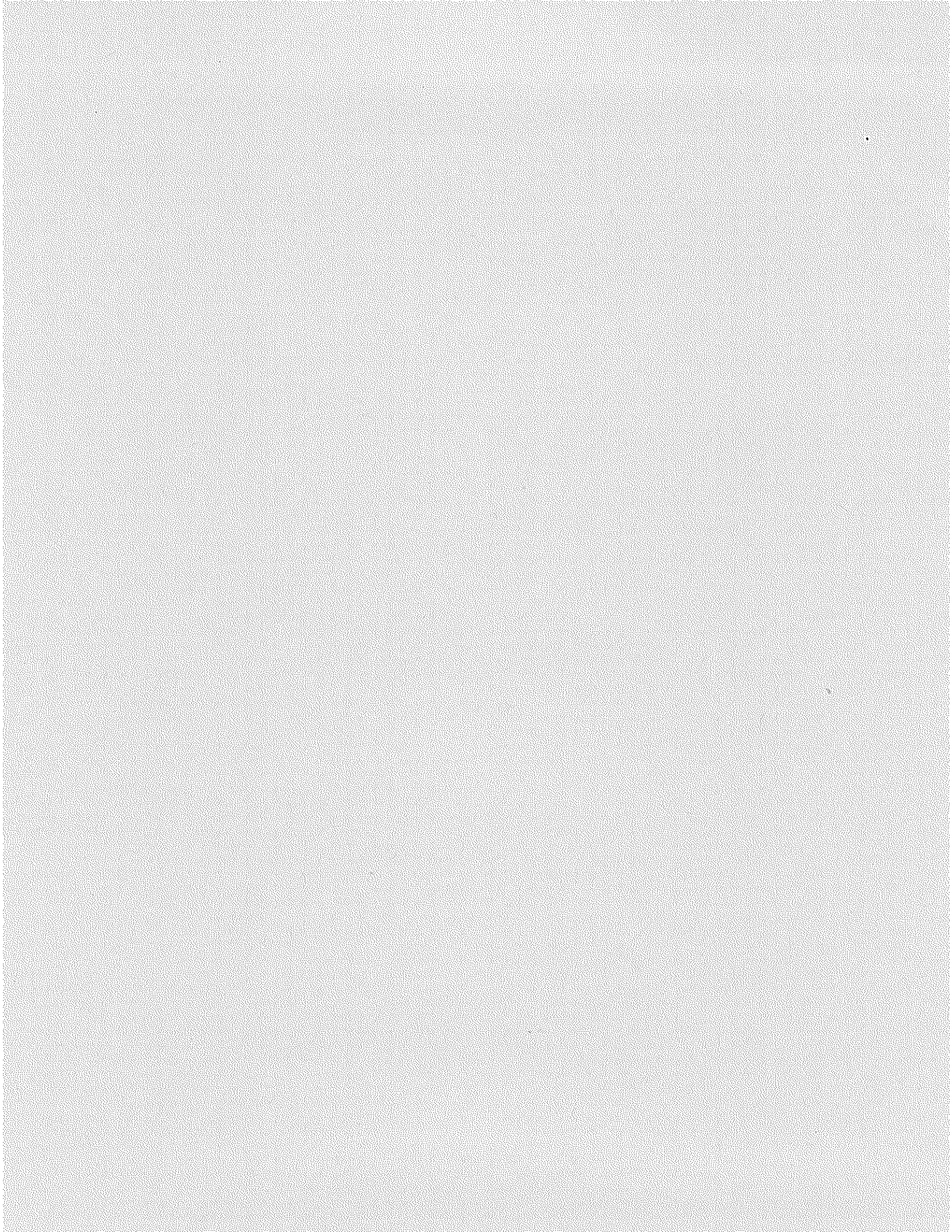
JSN Group

JSN Group Combined, Excluding Ben Moss

Cash Flow Statement

(C\$000s)

	2016F Budget											
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-14	Feb-14	Mar-14
Operating Cash Flow												
Net Income	(1,180)	(260)	(857)	(737)	(1)	750	1,142	1,701	88	(100)	243	(558)
Add: Depreciation & Amortization	128	128	128	128	128	128	128	128	128	128	128	128
Add: Increase (decrease) in Future Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Working Capital	(5,366)	(1,272)	(333)	300	1,302	3,410	4,261	3,785	(4,172)	(2,963)	1,101	(1,188)
Less: Obligations Under Capital Lease	-	-	-	-	-	-	-	-	-	-	-	-
Less: Amortization of leasehold inducements	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in deferred service plan revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Cash Flow	4,314	1,141	(396)	(909)	(1,176)	(2,531)	(2,992)	(1,956)	4,389	2,991	(730)	658
Investing Cash Flow												
Capital Expenditures	-	(3)	-	-	-	-	(2)	-	-	-	-	-
Net Investing Cash Flow	-	(3)	-	-	-	(2)	(2)	-	-	-	-	-
Free Cash Flow Before Financing	4,314	1,138	(396)	(909)	(1,176)	(2,531)	(2,994)	(1,956)	4,389	2,991	(730)	658
Financing Cash Flow												
ABL	103	(3,373)	535	(99)	17	(99)	555	325	(10,550)	1,637	3,219	3,002
Due from subsidiary (revolver)	(995)	2,609	(760)	(2,330)	(28)	(1,715)	(1,235)	400	14,003	(3,689)	(2,093)	(1,586)
Due from related group party (revolver)	(3,708)	(362)	1,208	3,349	1,199	5,095	3,686	1,242	(7,092)	(927)	(384)	(3,325)
Term Loan A	-	-	(250)	-	-	(250)	-	-	(250)	-	-	(250)
Term Loan B	-	-	(325)	-	-	(488)	-	-	(488)	-	-	(488)
Term Loan C	-	-	-	-	-	-	-	-	-	-	-	-
Due from subsidiary (shareholder loans)	-	-	-	-	-	-	-	-	-	-	-	-
Due from parent (inventory transfer to JSN Canada)	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Bank Indebtedness - Utopia	(4,611)	(1,138)	396	909	1,176	2,531	2,994	1,956	(4,389)	(2,991)	730	(658)
Net Financing Cash Flow	(297)	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Net Cash Flow	(297)	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Cash (Beginning balance)	1,180	883	883	883	883	883	883	883	883	883	883	883
Change	(297)	-	-	-	-	-	-	-	-	-	-	-
Cash (Ending balance)	883	883	883	883	883	883	883	883	883	883	883	883



JSN Group

JSN Group Combined with Ben Moss

Revenue & Operating Expense Schedule

(CA00902)

	2016F Budget												
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Full Year
Net sales	\$ 6,476	\$ 12,269	\$ 9,170	\$ 9,469	\$ 10,889	\$ 12,975	\$ 14,120	\$ 20,085	\$ 27,090	\$ 10,021	\$ 13,312	\$ 8,588	\$ 154,464
Cost of sales	3,527	6,655	5,208	5,592	5,507	7,713	8,545	11,149	14,415	5,548	7,781	5,078	86,719
Gross margin	2,949	5,614	3,962	3,877	5,382	5,262	5,575	8,936	12,674	4,473	5,531	3,510	67,745
% margin	45.5%	45.8%	43.2%	40.9%	49.4%	40.6%	39.5%	44.5%	46.8%	44.6%	41.5%	40.9%	43.9%
Operating expenses													
Advertising and promotion	45	243	148	122	100	201	143	509	173	173	76	160	2,093
Travel and trade shows	84	84	111	84	84	84	84	84	84	84	84	84	1,030
Meals and entertainments	8	8	8	8	8	8	8	8	8	8	8	8	96
Commissions	29	65	46	63	44	142	239	177	111	128	209	92	1,345
Discounts	14	4	7	6	8	2	19	38	21	15	20	36	190
Bad debts (recovery)	1	1	1	1	1	1	1	1	1	1	1	1	12
Bank charges	19	19	19	19	19	19	19	19	19	22	22	22	242
Computer and consulting	14	14	14	14	14	14	14	14	14	14	14	14	170
Donations	14	14	14	14	14	14	14	14	14	14	14	14	169
Insurance	25	25	25	25	25	25	25	25	25	25	25	25	301
Office and general	23	23	23	23	23	23	23	23	23	23	23	23	281
Management fees	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Office and administration wages	304	312	312	312	312	312	315	315	317	315	315	315	3,753
Payroll and benefits	75	75	75	90	75	75	75	110	110	75	75	75	985
Professional fees	155	152	137	137	114	114	114	114	114	114	114	114	1,491
Rent and utilities	28	28	28	28	28	28	28	28	28	28	28	28	337
Repairs and maintenance	9	9	9	9	9	9	9	9	9	9	9	9	108
Telephone	12	12	12	12	12	12	12	12	12	12	12	12	142
Vehicle expenses	9	9	9	9	9	9	9	9	9	9	9	9	107
Bonus	1	1	1	1	1	1	1	1	1	1	1	1	12
Utopia - operating costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Store operating costs - Ben Moss	2,492	2,991	2,622	2,575	2,881	2,612	2,505	3,272	3,662	3,001	2,732	2,676	34,019
Administrative costs - Ben Moss	510	693	522	466	531	502	509	661	737	578	622	488	6,818
	3,991	4,903	4,264	4,137	4,433	4,327	4,285	5,561	5,612	4,769	4,533	4,326	55,141
EBITDA	(1,042)	712	(902)	(260)	949	936	1,290	3,374	7,062	(296)	998	(816)	12,604
% margin	-16.1%	5.8%	-3.3%	-2.7%	8.7%	7.2%	9.1%	16.8%	26.1%	-3.0%	7.5%	-9.5%	8.2%
Amortization and depreciation	390	393	394	397	397	401	401	402	402	404	404	1,101	5,487
Interest expense (income)	444	426	419	425	413	414	418	412	386	358	368	382	4,865
Other income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings before taxes	(1,877)	(108)	(1,115)	(1,084)	139	120	470	2,561	6,275	(1,058)	225	(2,299)	2,252
Income Taxes													
Current	-	-	-	-	-	-	-	-	-	-	-	573	573
Future	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income	\$ (1,877)	\$ (108)	\$ (1,115)	\$ (1,084)	\$ 139	\$ 120	\$ 470	\$ 2,561	\$ 6,275	\$ (1,058)	\$ 225	\$ (2,872)	\$ 1,679

JSN Group

JSN Group Combined with Ben Moss

Balance Sheet

(CAD000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Assets												
Current assets												
Cash	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783
Accounts receivable - trade	17,657	17,418	17,437	18,265	18,708	22,810	27,264	31,657	27,909	24,456	25,579	24,840
Accounts receivable - related	28,487	28,487	28,487	28,487	28,487	28,487	28,487	28,487	28,487	28,487	28,487	28,487
Inventory	54,465	53,266	52,371	53,455	54,279	56,708	60,218	62,098	55,001	55,155	54,015	53,925
Inventory - consignment	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706	12,706
Prepaid expenses	1,251	1,245	1,141	1,149	1,143	1,136	1,190	1,184	1,178	1,192	1,186	1,180
Other current assets	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816	3,816
Total current assets	120,165	118,720	117,740	119,661	120,922	127,446	135,465	141,731	130,879	127,595	127,572	126,737
Capital assets												
Prepaid leases	12,050	12,064	11,947	11,935	11,886	11,868	11,790	11,509	11,426	11,300	11,133	10,899
Long term receivables group related party	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329
Long term receivables	824	824	824	824	824	824	824	824	824	824	824	824
Due from parent (inventory transfer to JSN Canada)	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Due from subsidiary (revolver)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)
Due from related group party (revolver)	-	-	-	-	-	-	-	-	-	-	-	-
Due from subsidiary (shareholder loans)	-	-	-	-	-	-	-	-	-	-	-	-
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	1,817	1,708	1,598	1,488	1,379	1,269	1,160	1,050	940	831	721	611
Goodwill	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996
Other assets	12,885	12,850	12,815	12,780	12,745	12,710	12,675	12,640	12,605	12,570	12,535	11,773
Total Assets	\$ 138,457	\$ 136,883	\$ 135,640	\$ 137,404	\$ 138,472	\$ 144,834	\$ 152,629	\$ 158,470	\$ 147,391	\$ 143,837	\$ 143,501	\$ 141,561

JSN Group

JSN Group Combined with Ben Moss

Liabilities

Current liabilities

ABL	49,090	46,012	46,841	47,047	47,358	47,555	48,416	49,040	38,786	40,719	44,235	47,532
Bank indebtedness (prior to closing)	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities - trade	23,068	25,153	23,674	23,076	22,608	24,408	27,300	28,629	29,556	26,252	22,659	21,749
Accounts payable and accrued liabilities - related	16,504	16,242	17,450	20,799	21,997	27,092	30,778	32,020	24,928	24,001	23,617	22,292
Withholding taxes payable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,200	1,100	1,000	1,000	1,000
Income tax payable	429	429	429	429	429	429	429	429	429	429	429	1,002
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	90,192	88,835	89,394	92,351	93,393	100,484	107,923	111,318	94,799	92,401	91,939	93,575
Deferred lease inducements	86	86	86	86	86	86	86	86	85	86	85	77
Deferred service plan revenue	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,298	1,462
Obligations under capital leases	2,056	1,955	1,853	1,751	1,648	1,545	1,441	1,337	1,249	1,160	1,071	990
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debt	150	141	132	123	114	104	95	86	77	67	58	48
Due to subsidiary (transfer of inventory from Utopia)	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan A	5,750	5,750	5,500	5,500	5,500	5,250	5,250	5,250	5,000	5,000	5,000	4,750
Term Loan B	6,610	6,610	6,285	6,285	6,285	5,798	5,798	5,798	5,310	5,310	5,310	4,823
Term Loan C	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448
Due to related group party	-	-	-	-	-	-	-	-	-	-	-	-
Due to related party	-	-	-	-	-	-	-	-	-	-	-	-
Due to shareholders	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187	11,187
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	121,868	120,402	120,274	123,120	124,050	130,291	137,617	140,898	123,545	121,049	120,488	121,421

Shareholders' Equity

Capital stock	-	-	-	-	-	0	0	0	0	0	0	0
Retained earnings	16,589	16,481	15,366	14,284	14,422	14,542	15,012	17,572	23,846	22,788	23,012	20,139
Total shareholders' equity	16,589	16,481	15,366	14,284	14,422	14,542	15,012	17,572	23,846	22,788	23,012	20,139
Total liabilities and shareholders' equity	\$ 138,457	\$ 136,882	\$ 135,640	\$ 137,404	\$ 138,472	\$ 144,834	\$ 152,629	\$ 158,470	\$ 147,391	\$ 143,837	\$ 143,500	\$ 141,560

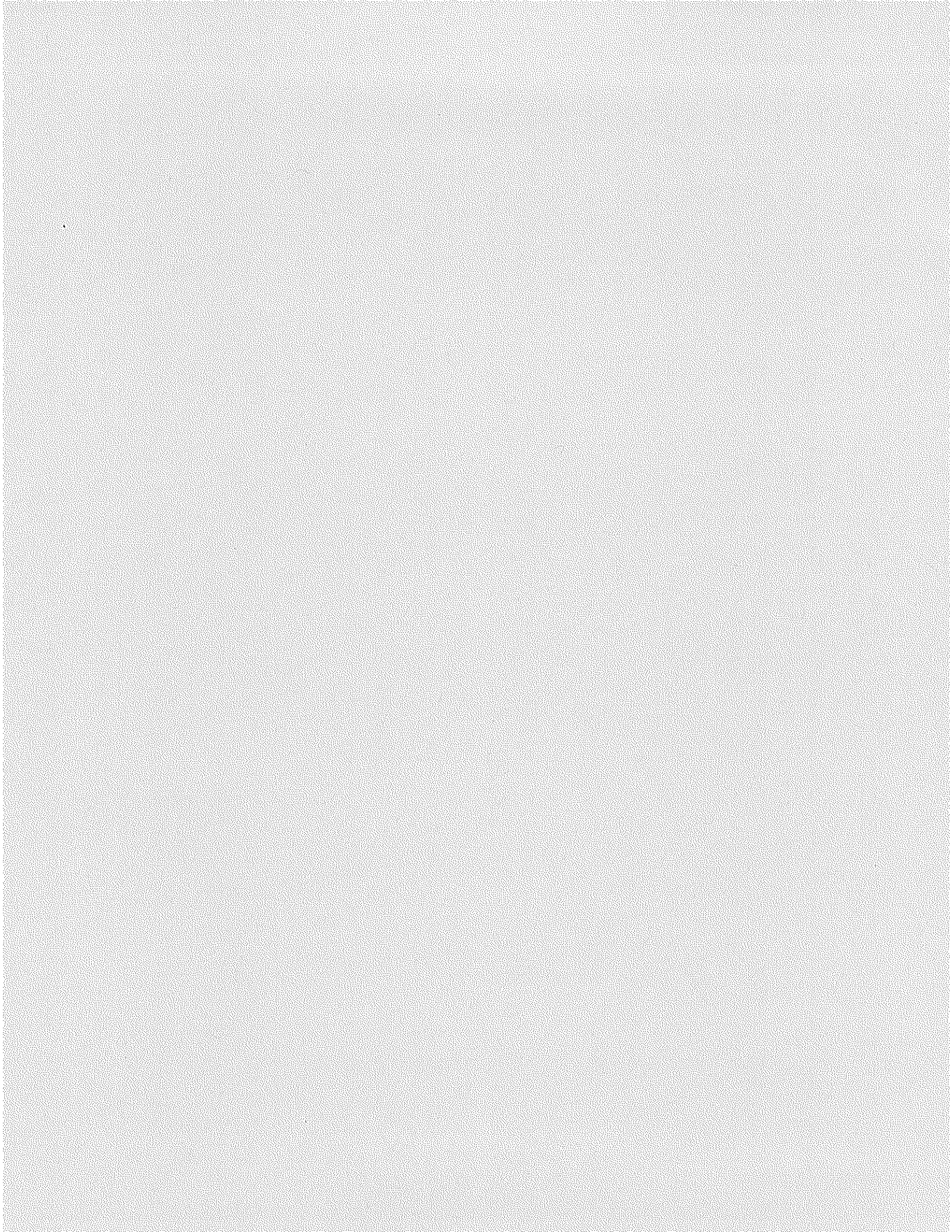
JSN Group

JSN Group Combined with Ben Moss

Cash Flow Statement

(CAD000s)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Operating Cash Flow												
Net Income	(1,877)	(108)	(1,115)	(1,081)	139	120	470	2,561	6,275	(1,058)	225	(2,872)
Add: Depreciation & Amortization	390	393	394	397	397	401	401	402	402	404	404	1,101
Add: Increase (decrease) in Future Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase (decrease) in Working Capital	(5,548)	(3,529)	498	2,519	1,729	4,724	5,127	4,737	(11,679)	120	3,570	(498)
Less: Obligations Under Capital Lease	101	101	102	102	103	103	104	104	88	89	89	81
Less: Amortization of leasehold inducements	(11)	-	-	-	-	-	-	-	-	-	-	9
Less: Increase in deferred service plan revenue	0	-	-	-	-	-	-	-	-	-	-	(164)
Net Operating Cash Flow	3,972	3,714	(1,321)	(3,306)	(1,296)	(4,306)	(4,359)	(1,879)	18,267	(862)	(3,029)	(1,199)
Investing Cash Flow												
Capital Expenditures	(105)	(252)	(121)	(229)	(193)	(227)	(167)	34	(163)	(123)	(81)	(15)
Net Investing Cash Flow	(105)	(252)	(121)	(229)	(193)	(227)	(167)	34	(163)	(123)	(81)	(15)
Free Cash Flow Before Financing	3,863	3,461	(1,441)	(3,534)	(1,489)	(4,533)	(4,526)	(1,845)	18,104	(985)	(3,110)	(1,214)
Financing Cash Flow												
ABL	103	(3,373)	535	(99)	17	(99)	555	325	(10,550)	1,637	3,219	3,002
Due from subsidiary (revolver)	304	294	294	305	294	296	305	298	296	296	296	296
Due from related group party (revolver)	(3,708)	(362)	1,208	3,349	1,193	5,095	3,686	1,242	(7,092)	(927)	(384)	(1,325)
Term Loan A	-	-	(250)	-	-	(250)	-	-	(250)	-	-	(250)
Term Loan B	-	-	(325)	-	-	(488)	-	-	(488)	-	-	(488)
Term Loan C	-	-	-	-	-	-	-	-	-	-	-	-
Long term debt repayment	(8)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)
Due from subsidiary (shareholder loans)	-	-	-	-	-	-	-	-	-	-	-	-
Due from parent (inventory transfer to JSN Canada)	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Net Financing Cash Flow	(3,320)	(3,461)	1,441	3,535	1,489	4,533	4,526	1,845	(18,104)	986	3,111	1,215
Net Cash Flow	\$ 542 \$	(0) \$	(0) \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Cash (Beginning balance)	2,080	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783
Change	542	(0)	(0)	0	0	0	0	0	0	0	0	0
Cash (Ending balance)	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783



JSN Group

ABL & Covenant Work Sheet

ABL Schedule

(CAD0000s)

2016F Budget												
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-15	Feb-15	Mar-15
% Eligible % margin												
Accounts Receivable - Ben Moss	\$ 4,733	\$ 4,967	\$ 5,200	\$ 5,433	\$ 5,666	\$ 5,900	\$ 6,133	\$ 6,366	\$ 6,599	\$ 6,833	\$ 7,066	\$ 7,299
Eligible Accounts Receivable - Ben Moss	-	-	-	-	-	-	-	-	-	-	-	-
Marginable Accounts Receivable - Ben Moss	90.0%	-	-	-	-	-	-	-	-	-	-	-
Gross Accounts Receivable - J.S.N. Jewellery Inc. ¹	\$ 5,212	\$ 4,652	\$ 4,410	\$ 4,015	\$ 4,921	\$ 5,261	\$ 5,322	\$ 6,255	\$ 5,492	\$ 4,915	\$ 5,250	\$ 4,312
Over 120 days (based on aged A/R as of March 31, 2014)	5,212	4,652	4,410	4,015	4,921	5,261	5,322	6,255	5,492	4,915	5,250	4,312
Dilution Reserve	782	698	562	602	738	789	798	938	824	737	788	647
Eligible Accounts Receivable - J.S.N. Jewellery Inc.	4,430	3,954	3,749	3,413	4,183	4,472	4,523	5,317	4,668	4,178	4,463	3,665
Marginable Accounts Receivable - J.S.N. Jewellery Inc.	222	198	187	171	209	224	226	266	233	209	223	183
	4,209	3,756	3,561	3,242	3,974	4,248	4,297	5,051	4,435	3,969	4,240	3,482
90.0%	\$ 3,788	\$ 3,381	\$ 3,205	\$ 2,918	\$ 3,576	\$ 3,824	\$ 3,868	\$ 4,546	\$ 3,991	\$ 3,572	\$ 3,816	\$ 3,133
Gross Accounts Receivable - J.S.N. Jewellery UK Ltd.	\$ 3,922	\$ 5,789	\$ 6,179	\$ 6,472	\$ 6,289	\$ 8,241	\$ 8,058	\$ 9,888	\$ 8,412	\$ 6,533	\$ 4,678	\$ 5,081
Affiliate A/R	-	-	-	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-	-	-	-
Concentration >75%	-	-	-	-	-	-	-	-	-	-	-	-
Cross Age 50%	-	-	-	-	-	-	-	-	-	-	-	-
Over 120 days (based on aged A/R March 31, 2014)	3,922	5,789	6,179	6,472	6,289	8,241	8,058	9,888	8,412	6,533	4,678	5,081
Dilution Reserve	392	579	618	538	538	538	538	538	538	538	538	538
Eligible Accounts Receivable - J.S.N. Jewellery UK	3,530	5,210	5,561	5,934	5,751	7,703	7,520	9,350	7,874	5,995	4,140	4,543
Marginable Accounts Receivable - J.S.N. Jewellery UK	353	521	556	593	575	770	752	935	787	599	414	454
	3,177	4,689	5,005	5,340	5,176	6,933	6,768	8,415	7,086	5,395	3,726	4,088
90.0%	\$ 2,859	\$ 4,220	\$ 4,505	\$ 4,806	\$ 4,658	\$ 6,239	\$ 6,091	\$ 7,573	\$ 6,378	\$ 4,856	\$ 3,353	\$ 3,680
Aurum revolver	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536
Marginable Accounts Receivable - J.S.N. Jewellery UK Ltd.	0.0%	-	-	-	-	-	-	-	-	-	-	-
Gross Accounts Receivable - GJM Corporation (JSN USA)	\$ 3,790	\$ 2,011	\$ 1,648	\$ 2,345	\$ 1,832	\$ 3,408	\$ 7,752	\$ 9,148	\$ 7,406	\$ 6,176	\$ 8,584	\$ 8,149
Affiliate A/R	-	-	-	-	-	-	-	-	-	-	-	-
Concentration >75%	-	-	-	-	-	-	-	-	-	-	-	-
Cross Age 50%	-	-	-	-	-	-	-	-	-	-	-	-
Over 120 days (based on aged A/R as of March 31, 2014)	3,790	2,011	1,648	2,345	1,832	3,408	7,752	9,148	7,406	6,176	8,584	8,149
Dilution Reserve	38	20	16	23	18	34	78	91	74	62	86	81
Eligible Accounts Receivable - J.S.N. Jewellery Inc.	3,752	1,991	1,631	2,321	1,814	3,374	7,674	9,057	7,332	6,114	8,499	8,067
Marginable Accounts Receivable - J.S.N. Jewellery Inc.	188	100	82	116	91	169	384	453	367	306	425	403
	3,564	1,891	1,549	2,205	1,723	3,205	7,290	8,604	6,965	5,808	8,074	7,664
90.0%	\$ 3,208	\$ 1,702	\$ 1,395	\$ 1,985	\$ 1,551	\$ 2,885	\$ 6,561	\$ 7,743	\$ 6,268	\$ 5,227	\$ 7,266	\$ 6,898
Total Marginable Accounts Receivable	\$ 9,855	\$ 9,303	\$ 9,104	\$ 9,709	\$ 9,785	\$ 12,948	\$ 15,520	\$ 19,863	\$ 16,637	\$ 13,655	\$ 14,435	\$ 13,710

JSN Group

ABL & Covenant Work Sheet

ABL Schedule

(CAD0000)

	2016F Budget											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-15	Feb-15	Mar-15
Inventory - Ben Moss												
Consignment Inventory from JSN	\$ 39,592	\$ 38,393	\$ 37,498	\$ 38,582	\$ 39,406	\$ 41,835	\$ 45,345	\$ 47,225	\$ 40,128	\$ 40,282	\$ 39,142	\$ 39,052
Ineligibles	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Monthly NOLV	73.7%	74.9%	74.8%	74.5%	75.1%	76.6%	78.1%	79.3%	77.3%	75.1%	74.0%	74.1%
NOLV	31,833	31,453	30,741	31,426	32,297	34,803	38,226	40,304	33,802	32,955	31,629	31,605
Marginable Inventory - Ben Moss												
	\$ 30,241	\$ 29,880	\$ 29,204	\$ 29,854	\$ 30,882	\$ 33,063	\$ 36,315	\$ 38,289	\$ 32,111	\$ 31,308	\$ 30,048	\$ 30,025
Inventory - J.S.N. Jewellery Inc.												
Ineligibles	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973	\$ 14,973
Eligible Inventory - J.S.N. Jewellery Inc.	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Monthly NOLV	14,848	14,848	14,848	14,848	14,848	14,848	14,848	14,848	14,848	14,848	14,848	14,848
NOLV	108.1%	109.7%	109.6%	109.2%	110.0%	112.2%	114.5%	116.2%	113.3%	110.0%	108.5%	108.7%
Marginable Inventory - J.S.N. Jewellery Inc.												
	\$ 15,248	\$ 15,474	\$ 15,460	\$ 15,403	\$ 15,516	\$ 15,826	\$ 16,151	\$ 16,391	\$ 15,982	\$ 15,516	\$ 15,305	\$ 15,333
Inventory - J.S.N. Jewellery UK Ltd.¹												
Ineligibles	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Eligible Inventory - J.S.N. Jewellery UK Ltd.	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)
Monthly NOLV	265	265	265	265	265	265	265	265	265	265	265	265
NOLV	102.7%	104.3%	104.1%	103.7%	104.5%	106.6%	108.8%	110.4%	107.6%	104.5%	103.1%	103.2%
Marginable Inventory - J.S.N. Jewellery UK Ltd.												
	\$ 246	\$ 263	\$ 262	\$ 261	\$ 263	\$ 268	\$ 274	\$ 278	\$ 271	\$ 263	\$ 260	\$ 260
Total Marginable Inventory												
	\$ 45,735	\$ 45,616	\$ 44,926	\$ 45,519	\$ 46,462	\$ 49,158	\$ 52,740	\$ 54,957	\$ 48,364	\$ 47,087	\$ 45,612	\$ 45,617
Total Marginable Inventory and Receivables												
	\$ 55,590	\$ 54,919	\$ 54,030	\$ 55,228	\$ 56,247	\$ 62,105	\$ 69,260	\$ 74,820	\$ 65,001	\$ 60,742	\$ 60,047	\$ 59,328
Reserves												
Availability Block	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Customer Deposits	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,200	1,100	1,000	1,000	1,000
Customer Credit Reserve	100	100	100	100	100	100	100	100	100	100	100	100
Gift Cards	155	155	155	155	155	155	155	155	155	155	155	155
WEPP Reserve - lower of actual or \$2,000/person	845	845	845	845	870	895	895	925	925	925	925	845
Payroll Income and Pension Tax Withholdings	300	290	290	290	290	290	290	290	350	450	300	300
GST/PST/HST Payable (Forecast monthly for 8M, assumed to be \$46K fixed for JSN)	1,121	326	624	474	342	480	234	161	613	2,029	346	546
Rent Reserve	120	120	120	120	120	120	120	120	120	120	120	120
Preferential Creditors	15	15	15	15	15	15	15	15	15	15	15	15
Prescribed Part (UK)	225	225	225	225	225	225	225	225	225	225	225	225
FX reserve	250	250	250	250	250	250	250	250	250	250	250	250
	\$ 6,131	\$ 5,326	\$ 5,624	\$ 5,474	\$ 5,342	\$ 5,505	\$ 5,284	\$ 5,441	\$ 5,853	\$ 7,269	\$ 5,436	\$ 5,556
Borrowing Base												
Maximum Available	\$ 49,459	\$ 49,593	\$ 48,407	\$ 49,754	\$ 50,905	\$ 56,600	\$ 63,975	\$ 69,379	\$ 59,149	\$ 53,474	\$ 54,611	\$ 53,772
ABL Availability	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	\$ 49,459	\$ 49,593	\$ 48,407	\$ 49,754	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Revolver (ABL) balance												
Cash balance (Cash held in Canada, USA and UK only)	\$ 49,090	\$ 46,012	\$ 46,841	\$ 47,047	\$ 47,358	\$ 47,555	\$ 48,416	\$ 49,040	\$ 38,786	\$ 40,719	\$ 44,235	\$ 47,532
Net revolver (ABL) balance	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783
	\$ 47,307	\$ 44,229	\$ 45,058	\$ 45,264	\$ 45,575	\$ 45,772	\$ 46,633	\$ 47,257	\$ 37,003	\$ 38,936	\$ 42,452	\$ 45,749

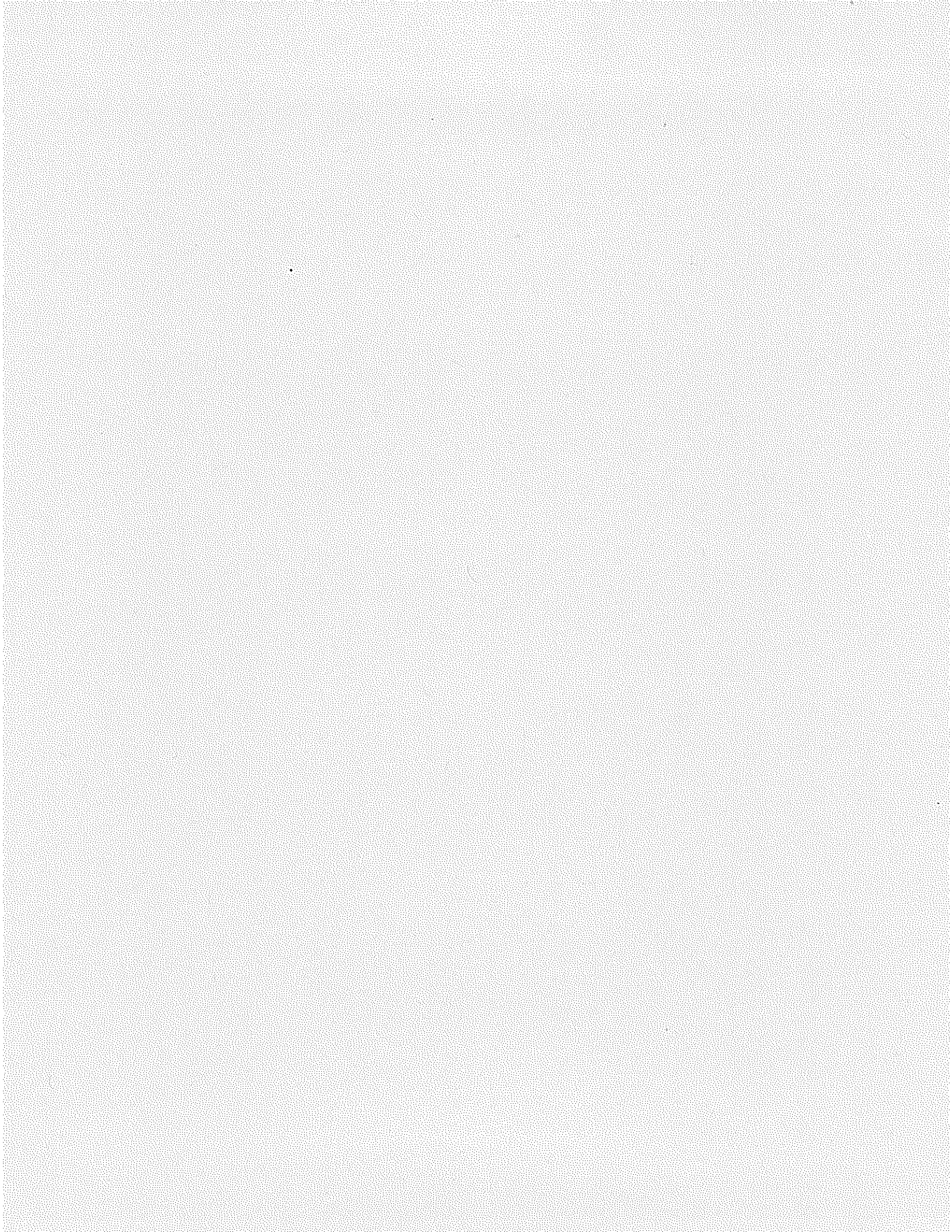
JSN Group

ABL & Covenant Work Sheet

ABL Schedule

(CAD\$000s)

2016F Budget											
Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-15	Feb-15	Mar-15
\$ 368	\$ 3,581	\$ 1,566	\$ 2,707	\$ 2,642	\$ 2,445	\$ 1,584	\$ 960	\$ 11,214	\$ 9,281	\$ 5,765	\$ 2,468
Excess availability											



USDOOSN!

Capital Canada Limited

Project West

J.S.N. Jewellery UK Ltd. (€000s)

Revenue & Operating Expense Schedule
(€000s)

Net Sales Seasonality

Net Sales
Cost of sales
Gross Margin
% margin

Operating expenses

Advertising and promotion
Advertising and Promotion Seasonality

Travel and trade shows

Meals and entertainments

Commissions

Discounts

Bad debts (recovery)

Bank charges

Computer and consulting

Donations

Insurance

Office and general

Management fees

Office and administration wages

Professional fees

Rent and utilities

Repairs and maintenance

Telephone

Vehicle expenses

EBITDA
% margin

APPENDIX "R"

From: Carla Eisnor [mailto:Carla.Eisnor@jsnjewellery.com]
Sent: Monday, May 09, 2016 5:40 PM
To: Aaron Miller; Joseph Shilon
Cc: Brouwer, Matthew; Andrew Prunier; Belcher, James; Zalev, Adam; Kyle Shonak
Subject: RE: Utopia Shipments

Hi Aaron

The style card is the design specifications for each of our sku's including the number and quality of the diamonds and stones and weight of the metal used.

I am attaching screen shots for a sample of the style cards for our skus and a summary of the cost build up for each of the style numbers provided taken from each style card. Note that each sku has 2 screen shots. The first is a summary description and the second provides the price breakdown and stone specifications.

Let me know if this is what you were looking for and if you have any questions.

Kind regards

Carla

From: Aaron Miller [mailto:amiller@saluscapital.com]
Sent: May-09-16 5:19 PM
To: Joseph Shilon
Cc: Carla Eisnor; Brouwer, Matthew; Andrew Prunier; Belcher, James; Zalev, Adam; Kyle Shonak
Subject: Re: Utopia Shipments

How's this coming?

Aaron Miller

Vice President, Special Assets
Salus Capital Partners, LLC
197 First Ave, Suite 150
Needham, MA 02494
Direct: 617-420-2818
Mobile: 508-282-2134
Email: amiller@saluscapital.com
www.saluscapital.com

Sent from my iPhone

On May 8, 2016, at 1:32 PM, Joseph Shilon <Joseph@jsnjewellery.com> wrote:

Hi Aaron, yes, we'll send you tomorrow, Carla, can you please take random snap shot of style card and send Aaron and walk him through how we are establishing the costing, Thanks
Sent from my BlackBerry device on the Rogers Wireless Network

From: Aaron Miller <amiller@saluscapital.com>
Date: Sun, 8 May 2016 14:57:05 +0000
To: Carla Eisnor<Carla.Eisnor@jsnjewellery.com>
Cc: Brouwer, Matthew<mbrouwer@alvarezandmarsal.com>; Andrew Prunier<aprunier@saluscapital.com>; Belcher, James<jbelcher@alvarezandmarsal.com>; Zalev, Adam<azalev@alvarezandmarsal.com>; Kyle Shonak<KShonak@saluscapital.com>; Joseph@jsnjewellery.com<Joseph@jsnjewellery.com>
Subject: Re: Utopia Shipments

Joseph,

Can you please send the report you mentioned in Thailand of how the pricing is established for finished product? You indicated this was a JSN Canada question and Utopia wouldn't have the answer. Thanks.

Aaron Miller
Vice President, Special Assets
Salus Capital Partners
197 First Ave, Suite 250
Needham, MA 02494
Direct: 617-420-2818
Mobile: 508-282-2134
Email: amiller@saluscapital.com
www.saluscapital.com

Sent from my iPhone

On May 8, 2016, at 10:54 AM, Carla Eisnor <Carla.Eisnor@jsnjewellery.com> wrote:

Aaron,

It is more a matter of knowing what you are looking for and being able to get answers when Utopia is closed.

Can you expand on what you are looking for in terms of "load"

Thanks
Carla

From: Aaron Miller [<mailto:amiller@saluscapital.com>]

Sent: May-08-16 10:52 AM

To: Carla Eisnor

Cc: Brouwer, Matthew; Andrew Prunier; Belcher, James; Zalev, Adam; Kyle Shonak

Subject: Re: Utopia Shipments

Carla,

I don't think this should be a difficult exercise, please provide or let us know why it's not available.

Aaron Miller
Vice President, Special Assets
Salus Capital Partners
197 First Ave, Suite 250
Needham, MA 02494
Direct: 617-420-2818
Mobile: 508-282-2134
Email: amiller@saluscapital.com
www.saluscapital.com

Sent from my iPhone

On May 6, 2016, at 10:50 AM, Aaron Miller <amiller@saluscapital.com> wrote:

Can you please provide an example of the load?

Aaron Miller
Vice President, Special Assets
Salus Capital Partners
197 First Ave, Suite 250
Needham, MA 02494
Direct: 617-420-2818
Mobile: 508-282-2134
Email: amiller@saluscapital.com
www.saluscapital.com

Sent from my iPhone

On May 4, 2016, at 8:55 PM, Carla Eisnor
<Carla.Eisnor@jsnjewellery.com> wrote:

It is a fully loaded cost, diamonds would be the largest
cost component followed by gold

From: Aaron Miller [<mailto:amiller@saluscapital.com>]
Sent: May-04-16 9:33 AM
To: Brouwer, Matthew
Cc: Andrew Prunier; Belcher, James; Zalev, Adam; Carla
Eisnor
Subject: Re: Utopia Shipments

Thanks. Is that straight material cost or is there
anything loaded into the cost basis?

Aaron Miller
Vice President, Special Assets
Salus Capital Partners
197 First Ave, Suite 250
Needham, MA 02494
Direct: 617-420-2818
Mobile: 508-282-2134
Email: amiller@saluscapital.com
www.saluscapital.com

Sent from my iPhone

On May 4, 2016, at 9:31 AM, Brouwer, Matthew
<mbrouwer@alvarezandmarsal.com> wrote:

See attached for the updated schedule.
An additional \$195K was shipped from
Utopia bringing the total for the week
to \$758K thus far.

Matt Brouwer CPA, CA

Alvarez & Marsal Canada ULC
200 Bay Street, Suite 2900
Royal Bank South Tower
Toronto ON M5J 2J1
Phone: 416 847 5182
Mobile: 416 505 7614
mbrouwer@alvarezandmarsal.com

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<Shipments from Utopia.xlsx>

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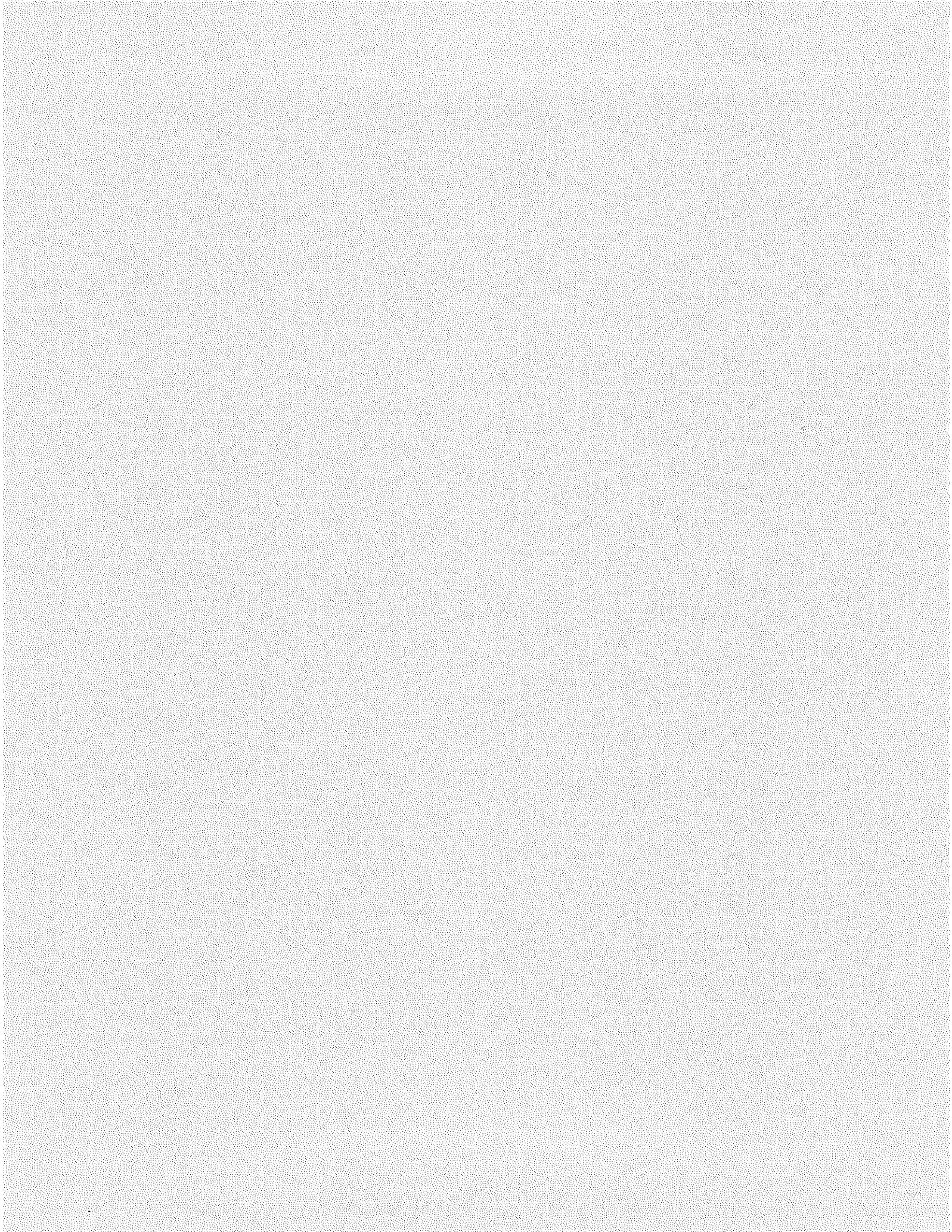
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General Price Breakdown

Costing Total Cost...	20.40	Created By...	RURH
Electro Total Cost...	0.00	Created Date and Time...	11/09/10 02:51 PM
Stone Total Cost...	20.25	Modified By...	GUA
Stone Total Setting Cost...	2.75	Modified Date/Time...	02/09/16 12:04 PM
Total Cost (Primary)...	0.00		
Total Setting Cost (Primary)...	0.00		
Findings Total Cost...	17.50		
Total Labor...	5.00		
Total Cost...	315.30		

Castings

Costing Item	Costing P...	Metal	Quantity	Weight	Cost per Gram	Total Cost	Actual Weight
Castings	57C	1471G	1.00	1.40	21.00	29.40	0.00

Stones

Stone Type	Stone Description	Qty	Est. Qty	Size (mm)	Weight	Price per Cost	Stone Cost	Selling Cost	Selling Description	Selling Type	Total Setting Cost	Primary Color	Alternate Color
DI	RSC Round Bt...	1		12 H	0	0.20	570.00	114.00	CL	CLW	1.25	1.25	
DI	RSC Round Bt...	1		12 H	0	0.175	500.00	87.50	CL	CLW	0.75	0.75	
DI	RSC Round Bt...	1		12 H	0	0.125	470.00	58.75	CL	CLW	0.75	0.75	

Findings

Code	Description	Metal	Quantity	Weight per Piece	Metal Price per Gram	Cost per Piece	Total Cost	Keep This ...
CF-K02...	K020 Chain 1471G 17	1471G	1.00	0.78	22.55	17.50	17.50	

Labour

Cost	Grand	Prep Labor	Assemble	Finish	Rodum	Overhead	Total Labour
0.00	0.00	0.00	0.00	0.00	0.00	5.00	5.00

Costing Total Cost 20.40

JSN JEWELLERY Car... 05/09/16 FILTER

Desktop 2:56 PM 05/09/2016

Alternate Colour

Stone Type Stone Cost Description

0.00

Create Sample report...
 Create Blank report...
 Change after genera...
 Functions
 Style
 Help

General Price Breakdown X/P

Type	Style	Item	Item	Blank Mount
Style Desc: No.	JC-C2-579P...	Electro	0.00	0.00
Description	... 5CT TW 14WG 3T DRP CAD DIA...	Casting	1.40	5.00
Description 2	... CPO422P50	Finishing	0.75	28.58
Description 3		Subtotal	2.15	33.58
Base Metal Cost	14WG	Calculate Default Price	WFC Cost	315.20
Product Group	LADIES	Exch. Rate	0.797	555.00
Product Category	PERSONALITY	Manual Ex. Upd.	Start Wt.	1.50
Product Type	437P50D41T	Base Unit of Me.	PCS	1.17

Castings

Casting	Qty	Weight	Cost per Gram	Total Cost	Actual Weight
Casting 3PC	1.00	1.40	21.00	29.40	0.00

Stones

Stone	Type	Shape	Description	Qty	Ext. Qty	Size (mm)	Weight	Price per Carat	Stone Cost	Selling Type	Setting Description	Setting Cost	Total Selling Cost	Alternate Primary Colour
DI	REC	Round Brl...	CLBN 12 HI	1			0	0.20	570.00	114.00	CL	Chw	1.25	1.25
DI	REC	Round Brl...	CLBN 12 HI	1			0	0.175	500.00	87.50	CL	Chw	0.75	0.75
DI	REC	Round Brl...	CLBN 12 HI	1			0	0.125	470.00	58.75	CL	Chw	0.75	0.75

Findings

Code	Description	Metal	Quantity	Weight per Piece	Unit Price	Cost per Piece	Total Cost	Keep This
OP4K22...	K2020 Chain 14K 17	14K16	1.00	0.78	22.95	17.95	17.95	

Labour

Cart	Grnd	Prep	Assemble	Finish	Rodium	Overhead	Total Labour
0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00

Alternate Colour

Stone Type	Stone Cost	Description
		0.00

Create Semi mount ... Item Generated ...

Gos

Chw

WFC Dissimulates

Fur

Style Desc: Style 1 Dev. No.

JSMJEWELLERY

Desktop

257 PM

05/09/2016

General Price Breakdown

Created By: GDA
Created Date and Time: 03/14/14 09:43 PM
Shope Total Semi Cost: 414.35
Shope Total Setting Cost: 33.00
Total Cost Primary: 1,071.00
Total Setting Cost Prim: 1.10
Prong Total Cost: 0.00
Total Labor: 6.00
Total Cost: 1,638.75

Alternate Colour...

Store Type	Store Cost	Description
	0.00	

Castings

Store Type	Shape	Description	Int	Qty	Ext Qty	Size (mm)	Weight	Price per Cast	Size	Setting Cost	Setting Description	Setting Type	Total Setting Cost	Alternate Primary	Alternate Colour
DI	RBC	Round Brl...	CTM	1	1	512-3...	0.53	1,850.00	1,071.00	CTM	Centre	1-10	1.10	1.10	V
DI	RBC	Round Brl...	TN	4	4	512-3...	0.03	470.00	56-40	CL	Claw	0-40	1.60	1.60	
DI	RBC	Round Brl...	TN	4	4	512-3...	0.02	470.00	37-60	CL	Claw	0-40	1.60	1.60	
DI	RBC	Round Brl...	TN	4	4	512-3...	0.0125	470.00	23-50	CL	Claw	0-40	1.60	1.60	
DI	RBC	Round Brl...	TN	38	38	512-3...	0.01	470.00	178-60	CL	Claw	0-40	15.20	15.20	
DI	RBC	Round Brl...	TN	20	20	512-3...	0.0085	520.00	88-40	CL	Claw	0-40	8.00	8.00	
DI	RBC	Round Brl...	TN	10	10	512-3...	0.0035	450.00	15-75	CL	Claw	0-40	4.00	4.00	
DI	RBC	Round Brl...	CTM	1	1	512-3...	0.03	470.00	14-10	CT	Grey	1-10	1.00	1.00	

Findings

Code	Description	Metal	Quantity	Weight per Piece	Weight per Piece Held	Price per Piece	Customer Price	Total Cost	Keep This...
			0.00	0.00	0.00	0.00	0.00	0.00	

Labour

Cost	Grnd	Prep	Assemble	Finish	Rodum	Overhead	Total Labour
0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00

General Price Breakdown ALP

Type	.....	Style	.....	End	Item	Item	Semi-Mount	Blank-Mount
Style Dev. No.	[BML-CT1-4880]				Electro	.....	5.00	7.00
Description	1w-2CON 20w-10RSC ENGAGEMENT				Casting	.....	30.00	40.00
Description 2	.....				Finding	.....	30.10	63.16
Description 3	CPD338A VIE SHAWK-HOSE GOLD AC...				Subtotal	.....	285.25	128.90
Base Metal Code	14K				Calculate Default Price	.....	357.91	561.73
Product Group	LOJES				Exch. Rate	.....	512.00	459.00
Product Category	RINGS				Manual Ex. Upd.	.....	3.40	3.40
Product Type	601 ENGAGEMENT				Base Unit of Me...	PCS	2.83	2.83

Castings

Casting	Qty	Weight	Cost per Gram	Total Cost	Actual Weight
Castings 20C	140R	1.00	3.40	21.00	71.40
					0.00

Stones

Stone	Shape	Int.	Weight	Price per Stone	Setting	Total Setting	Alternate
Type	Description	Qty	Ext. Qty	Cost	Description	Cost	Colour
DI	RSC Round Blt...	CTTH	11H	0	0.23	675.00	155.25
DI	RSC Round Blt...	TTN	11H	0	0.005	450.00	45.00
					CTR	1.10	1.10
					Clr	0.40	8.00

Alternate Colour

Stone Type	Stone Cost	Description
	0.00	

Findings

Code	Description	Quantity	Weight per Piece	Price per Piece	Cost per Piece	Total Cost	Keep This
			0.00	0.00	0.00	0.00	

Labour

Cost	Good	Prep	Assemble	Finish	Room	Overhead	Total Labour
	0.00	0.00	0.00	0.00	0.00	0.00	4.50

Create Semi-mount ☒ Item Generated...
 Create Blank mount ☒ In Campaign...
 Changed after Genera... ☐ Generate Sample...
 Functions Style Help

General Price Breakdown ASP

Type	Style	Item	Item	Semi-Mount	Black-Mount
Style [New No.]	5M-CT12-6618...	Electro	0.00	7.00	10.00
Description	2x 2025C CON/SBCT 2x 2025C ...	Casting	1.80	40.00	40.00
Description 2	PRINT CRY 60 FACET	Finding	0.20	61.50	61.50
Description 3	RHODIUM CLAYS ONLY ON MARINIDS	Subtotal	2.00	71.50	71.50
Base Metal Code	10RG	Calculate Default Price	164.93	71.50	71.50
Product Group	LADIES	Exch. Rate	0.797	249.00	249.00
Product Category	EARRINGS	Manual Ex. Uct.	1.80	1.80	1.80
Product Type	105 EARRING	Base Unit of Me...	PAIR	0.00	0.00

Casting	Quantity	Weight	Cost per Gram	Total Cost	Actual Weight
1 Casting	1.00	1.80	15.00	27.00	0.00

Stones

Stone	Shape	Int.	Qty	Qty/Qty	Size (mm)	Weight	Price per Carat	Setting Cost	Total Setting Cost	Alternate Colour
DI	RBC	Round Br...	2	112.14	2	0.10	455.00	91.00	1.10	2.20
DI	RBC	Round Br...	22	12.14	22	0.0035	350.00	26.95	0.40	8.80

Alternate Colour	Stone Type	Stone Cost	Description
		0.00	

Findings

Code	Description	Metal	Quantity	Weight per Piece	Price per Piece	Cost per Piece	Total Cost	Keep This
99903-3...	10RG 1747ED FRICTION EARRING 10RG	10RG	2.00	0.05	20.76	1.04	2.08	
90209-3...	10RG 3/EX.039 POST	10RG	2.00	0.05	16.15	0.91	1.82	

Labour

Cost	Grnd	Prepord	Assemble	Finish	Rodium	Overhead	Total Labour
1	0.00	0.00	0.00	0.00	0.00	0.00	5.00

Create Semi mount... ☒ Item Generated...
 Create Blank mount... ☒ In Circula...
 Changed after Genera... ☒ Generate Sample...
 Functions... Style... Help

General Price Breakdown

Casting Total Cost	27.00	Created By	GLA
Electro Total Cost	0.00	Created Date and Time	03/05/14 02:53 PM
Stone Total Set Cost	26.95	Modified By	JZOTYLA
Stone Total Setting Co.	0.00	Modified Date Time	03/05/14 11:42 AM
Total Cost Primary	91.00 (4)		
Total Setting Cost Prim.	2.20 (2)		
Findings Total Cost	3.89		
Total Labor	5.00		
Total Cost	164.84		

Castings

Casting	PC	MKG	Quantity	Weight	Carat per Gram	Total Cost	Actual Weight
1			1.00	1.00	15.00	27.00	0.00

Stones

Stone	Type	Shape	Description	Qty	Ext. Qty	QTY	Size (mm)	Weight	Price per Carat	Stone Cost	Setting Description	Setting Cost	Total Setting Cost	Primary Colour	Alternate Colour
1	01	RSC	Round Srt.	2	11-2 Ht	2		0.10	455.00	91.00	CTR	1.10	2.20	✓	
1	01	RSC	Round Srt.	22	12 Ht	22		0.0035	350.00	26.95	CL	0.40	8.80		

Findings

Code	Description	Field	Quantity	Weight per Piece	Price per Piece	Cost per Piece	Total Cost	Keep This . . .
90503-3...	URGUT/RED TRUCTION EARNUT	URG	2.00	0.05	20.78	1.04	2.03	
90259-3...	URG 3/8x0.03 POST	URG	2.00	0.05	18.15	0.91	1.82	

Labour

Cost	Grid	Prepach	Assemble	Finish	Rodium	Overhead	Total Labour
1	0.00	0.00	0.00	0.00	0.00	0.00	5.00

General Price Breakdown / AUP									
Type	Style	End	Item	Item	Item	Item	Item	Item	Item
SH4 Dev. No.	SH412-954.75 (4)		Electro	0.00	Comm. Rate	5.00			
Description 1	5-7950C CRY COMFORT FIT ARL...	(1)	Casting	3.50	Max. emp.	30.00			
Description 2	SET DIA LOW-KLOSE TOGETHER		Finding	0.00	Max. emp.	32.50			
Description 3			Subtotal	3.50	WPG Cost	456.73			
Base Metal Code	1000		Calculate Off-Hull Price		WPG Cost	573.00			
Product Group	LADIES		Est. Rate	0.997	Set Price	0.99			
Product Category	RINGS		Manual Est. Upd.		Start We...	3.50			
Product Type	610 ANTI-RECESSARY		Est. Unit of Me...	PCS	Frash We...	2.92			
Castings Casting Bl... Casting P... Metal 1416G Casting 3PC Weight 1.00 Quantity 1.00 Cost per Gram 21.00 Total Cost 21.00 Actual Weight 0.00									
Stones Stone Shape Int. Stone Type Shape Description Qty Est. QTY Size (mm) DI RBC Round Bl... CLBN 12 H 5 Weight 0.15 Price per Carat 590.00 Setting Description Cost 375.00 CL Total Setting Cost 0.75 Primary Cost 3.75 Alternate Colour									
Findings Code Description Metal Quantity Weight per Piece Metal Price per Piece Cost per Piece Total Cost Keep This ... Casting 3PC 0.00 0.00 0.00 0.00 0.00									
Labour Cast 0.00 Precision 0.00 Assembly 0.00 Finish 0.00 Random 0.00 Overhead 0.00 Total Labour 4.50									

General Price Breakdown ASR

Casting Total Cost	73.50	Created By	RUSH
Electro Total Cost	0.00	Created Date and Time	11/27/12 03:05 PM
Stone Total Semi Cost	375.00	Modified By	RUSH
Stone Total Setting Co.	3.75	Modified Date/Time	07/14/14 04:23 PM
Total Cost primary	0.00 (4)		
Total Setting Cost Prim.	0.00 (4)		
Findings Total Cost	0.00		
Total Labor	4.50		
Total Cost	466.75		

Castings

Casting/Electro Casting P.	Metal	Quantity	Weight	Cost per Gram	Total Cost	Actual Weight
► Casting ZPC	14WG	1.00	3.50	21.00	73.50	0.00

Stones

Stone Type	Shape	Description	Qty	Ext. Qty	QTY	Size (mm)	Weight	Price per Carat	Stone Cost	Setting Type	Setting Cost	Total Setting Cost	Alternate Primary Color	Alternate Color
► DI	BAC	Round B/L.	CLBH	12 H	5			0.15	500.00	375.00	CL	0.75	3.75	

Findings

Code	Description	Metal	Quantity	Weight per Piece	Metal Price per Piece	Cost per Piece	Total Cost	Keep This . . .
►				0.00	0.00	0.00	0.00	0.00

Labour

Cost	Grind	Prep	Assemble	Finish	Reduce	Overhead	Total Labour
►	0.00	0.00	0.00	0.00	0.00	0.00	4.50

Alternate Colour

Stone Type	Stone Cost	Description
►	0.00	

☐ Create Semi mount Item Generated
☐ Create Blank mount In Company
☒ Changed after Genera. Generate Sample

Style Card

Cost build-up

USD\$

	Pendant			Ring			Earing		
	ZC-C12-5791P.50W			CD-CSI-9632			BM-C12-6618E-68		
		%			%				
Casting (metal)	29.4	9%	111.3	7%	27	16%			
Stones semi	260.25	83%	414.35	25%	26.95	16%			
Setting	2.75	1%	33	2%	8.8	5%			
Stones Primary			1073	65%	91	55%			
Setting Primary			1.1	0%	2.2	1%			
Findings	17.9	6%	0	0%	3.89	2%			
Labor	5	2%	6	0%	5	3%			
	<u>\$ 315.30</u>	100%	<u>\$ 1,638.75</u>	100%	<u>\$ 164.84</u>	100%			
Total stone cost		83%		91%		72%			

Ring	Anniv Ring
------	------------

BM-C11-4880		RH-C12-3964.75	
	%		%
71.4	25%	73.5	16%
45	16%	375	82%
8	3%	3.75	1%
155.25	54%	0	0%
1.1	0%	0	0%
0	0%	0	0%
4.5	2%	4.5	1%
<u>\$ 285.25</u>	100%	<u>\$ 456.75</u>	100%
	70%		82%

APPENDIX "S"

From: Somkit Chanchariyakul <somkit@utopia-jewellery.com>
Sent: October-07-14 6:18 AM
To: Carla Eisnor; Shmuel Cohen; joseph shilon
Subject: Please transfer money today

Hi Carla.,

Please transfer money to Bangkok Bank account today.
And let me know How much you will send for this week ?

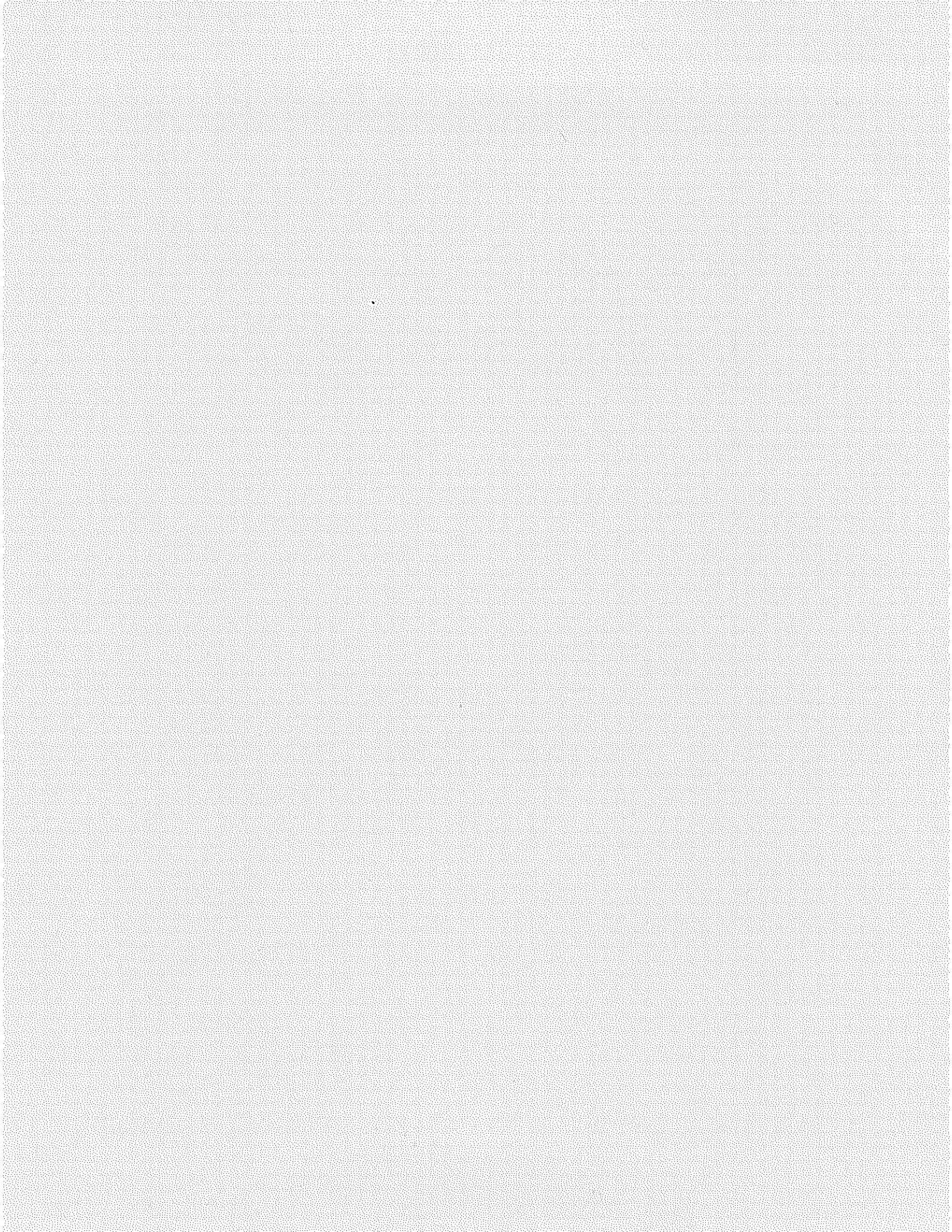
Thank you

Somkit

--

With Best Regards,

Somkit Chanchariyakul
Accounting Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601



From: Carla Eisnor <carla.eisnor@rogers.com>
Sent: October-07-14 3:00 PM
To: SOMKIT@utopia-jewellery.com
Cc: Shmuel Cohen; Joseph Shilon
Subject: Wire confirmation

Somkit

I cannot yet confirm the funds which will be sent on Thursday as we are awaiting deposits. I will update you tomorrow after I see the deposits that are coming.

Carla

Template Name: UTO1

Template Description: UTOPIA JEWELLERY

Value Date: Oct 08, 2014

Debit Account:	00003-05642-4036638-USD-JSN US	Amount Charged:	100,000.00 USD
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Credit Information: BKKBTHBK-1863061881-USD-UTOPIA JEWELLERY

Amount Sent: USD

Exchange Rate: 0.0

Bank: Bangkok Bank
48 Suksawat Rd
Ratburana
Bangkok 10140
THAILAND

Beneficiary:UTOPIA JEWELLERY
60-71 MOO 13 SUSKAV
FRAPADAENG
SAMUTPRAKARN 10130

Payment Method: Credit Account no advice

Comments:

Payment

Details:

**Foreign Exchange
Contract No:**

**Intermediary
Bank:**

**Bank to Bank
Details:**

Status: Pending at Bank

Bank Ref.#: 5428002511

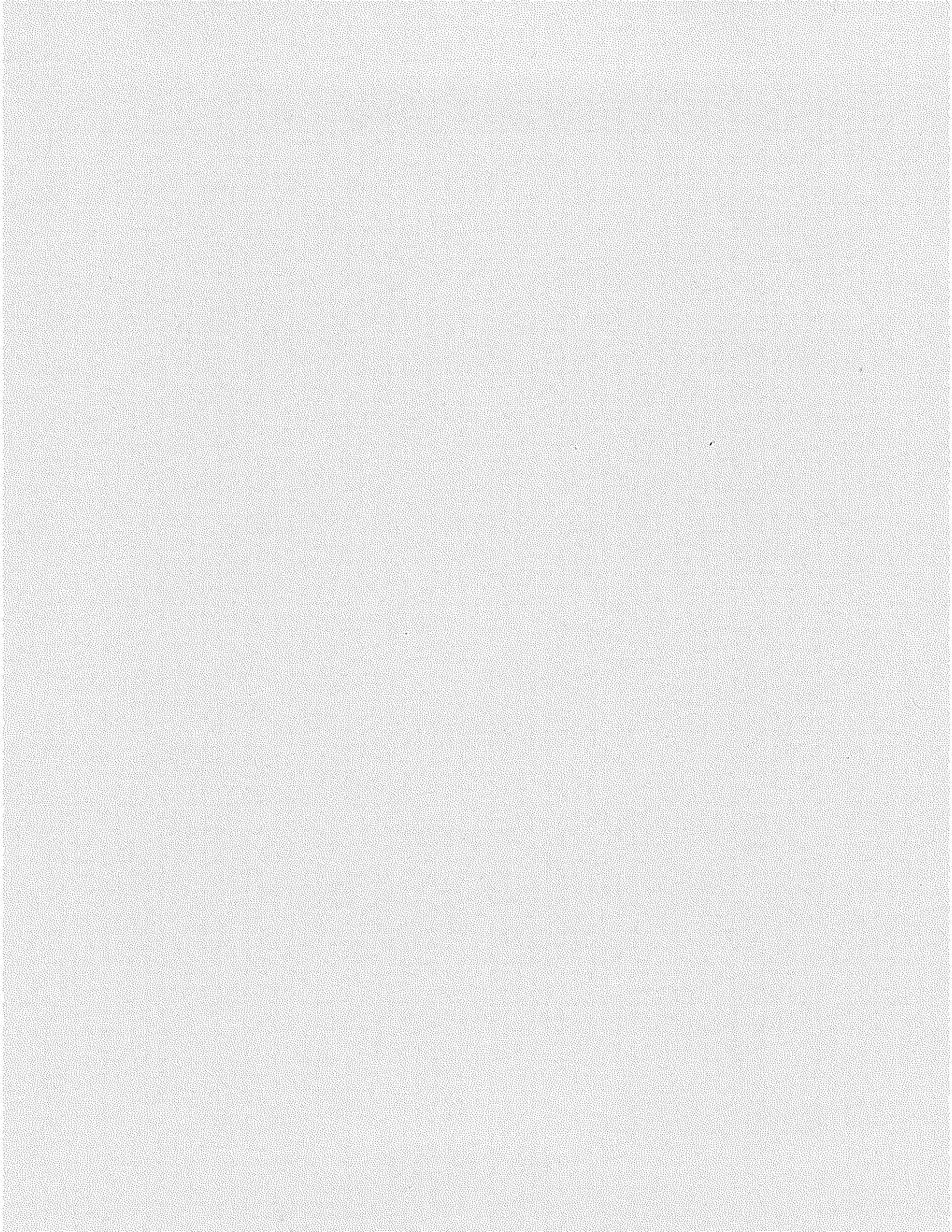
Approved by: Catherine Miliauskas

Created by: Catherine Miliauskas, Oct 07, 2014 at 02:35 PM ET

**Last Modified
by:**

Released by: Catherine Miliauskas, Oct 07, 2014 at 02:35 PM ET

Carla Eisnor
carla.eisnor@rogers.com
647-274-0741



From: Wanida <wanida@utopia-jewellery.com>
Sent: October-08-14 3:50 AM
To: Joseph Shilon; Sam Utopia; Carla Eisnor; Carla Eisnor; Moses Saurymper
Cc: Victor utopia; Gennadiy Gleyzer; Justyna Okunowicz; Mona Chi; Itria Buso; Laura Fisceletti; Steve Reale; Joel Stempel
Subject: 8 October Gold update

Dear Carla / Joseph / Sam

today we received last 3 kgs gold from Canada.
Referred to my last email on 29 September below.
September orders are casted.

Please start working on gold for October (SEE RED hight light) and send to us as fast as possible as we are coming to middle of October already.
which mean first half of Oct due orders are late.
also we have diamonds available but due a bit far if i can have more gold so i can finished those and ship first.

Please keep feeding raw-matt to keep production steady flow..

Thanks and regards
Wanida

On Mon, Sep 29, 2014 at 4:12 PM, Wanida <wanida@utopia-jewellery.com> wrote:
Dear Joseph / Carla / SAM / Moses and all management involves.

From the last email i've sent with 19 Kilos pure gold we need.
2 weeks passed the additional orders came in 2,480 pcs. Due September Adding another 6 kilos.
Total needed SEPTEMBER DUE as off today 25 KGS.
Since then, production received only 18 KGS.

Still waiting another 7 KGS.
2 ZALES ORDERS LOUNGE need approx 6 KGS.this must cast immediately to ship 10 OCT.
I definitely need minimum 13 KGS this week.

another orders OCTOBER DUE NEED 21 KGS. This must start casting next week as due are before mid of OCT.

as well as PLATINUM need 2.5 Kgs.

Not include GGR NOV REPLEN

I have diamonds which available in stock ready to set but due end of October but i couldn't play with it since no extra gold to cast.

Please work seriously to get me gold as must as you can..
Gold behind me 2 weeks the orders will be late a month.

Regards
Wanida

On Fri, Sep 12, 2014 at 10:48 AM, Wanida <wanida@utopia-jewellery.com> wrote:
Dear All

Last week we update pure gold request approx 15 kgs.

we've got 11 kgs.

still need 4 kgs for all Sep orders.

Platinum become waiting 2 kgs.

ZALES and Charm rush orders need gold 4 kgs.

Total still waiting for pure gold to immediate casting 8 kgs + 2 kgs Plat.

October orders approx 20 kgs.

NOT INCLUDE NOV-DEC GGR REPLEN

This is minimum requesting...every day still orders coming in so gold requirement is keep going up.

--

Thanks and Regards.

Wanida

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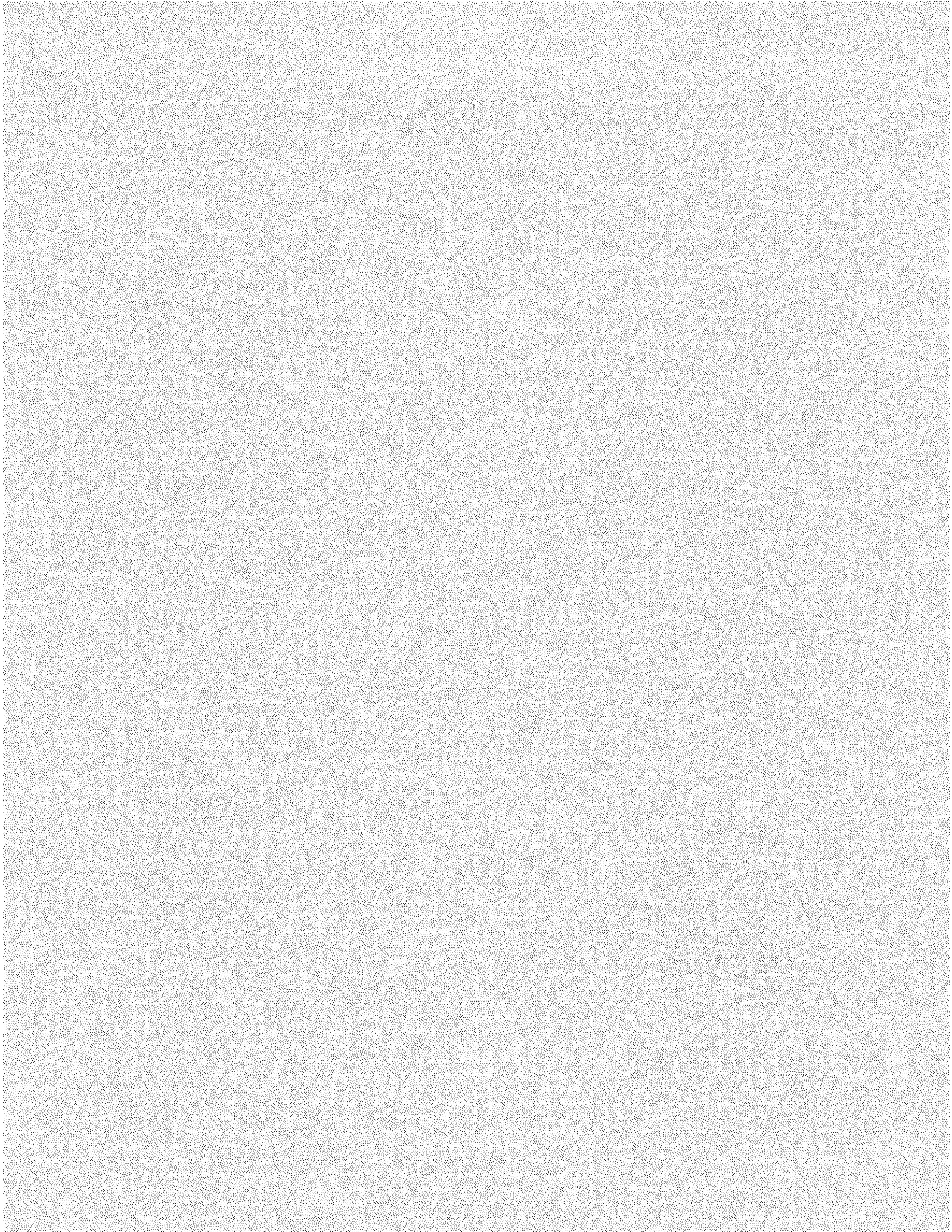
Thanks and Regards.

Wanida

--

Thanks and Regards.

Wanida



From: Carla Eisnor <carla.eisnor@rogers.com>
Sent: October-09-14 2:05 PM
To: SOMKIT@utopia-jewellery.com
Cc: Shmuel Cohen; Joseph Shilon
Subject: Wire confirmation

Template Name: UTO1

Template Description: UTOPIA JEWELLERY

Value Date: Oct 10, 2014

Debit Account: 00003-05642-4036638-USD-JSN US

Amount Charged: 500,000.00 USD

Credit Information: BKKBTHBK-1863061881-USD-UTOPIA JEWELLERY

Amount Sent: USD

Exchange Rate: 0.0

Bank: Bangkok Bank
48 Suksawat Rd
Ratburana
Bangkok 10140
THAILAND

Beneficiary: UTOPIA JEWELLERY
60-71 MOO 13 SUSKAWAT RD.
FRAPADAENG
SAMUTPRAKARN 10130 TH

Payment Method: Credit Account no advice

Comments:

Payment Details:

Foreign Exchange Contract No:

Intermediary Bank:

Bank to Bank Details:

Status: Pending at Bank

Bank Ref.#: 5428202457

Approved by: Carla Eisnor

Created by: Carla Eisnor, Oct 09, 2014 at 01:57 PM ET

Last Modified by:

Released by: Carla Eisnor, Oct 09, 2014 at 01:57 PM ET

APPENDIX "T"

Aubrey E. Kauffman

From: Somkit Chanchariyakul <somkit@utopia-jewellery.com>
Sent: October-10-14 3:45 AM
To: Carla Eisnor; Shmuel Cohen; joseph shilon
Subject: Re: \$2,447,500.- Budget for next week
Attachments: MADAM 'S UTOPIA OWE (1).xlsx; Carla Report -Bank St (10 Oct 14).xlsx

Please see file attach.
-Madam 's Utopia Owe

-Bank Statement file attach.
And Weekly sheet end 17 October 14

On Fri, Oct 10, 2014 at 2:34 PM, Somkit Chanchariyakul <somkit@utopia-jewellery.com> wrote:
As your instruction of " REPORT OF BUDGET "

- \$600,000.00 for weekly 's budget
-\$ 40,000.00 for 1 kg gold due date in next week
-\$ 17,000.00 for Finding ,Silver and Alloy
(1) = \$657,000.-

Plus transfer money in this week
-\$100,000.00 t/t to Sim Diam-inv.EXP/346/13-14 on 8/10
-\$ 20,000.00 t/t to My Diamond-inv.MD14/13-14 on 8/10
(2) = \$120,000.00

Plus
+\$2,390,500.- budget which we requested
-minus \$100,000 got from JSN-Canada to UJ's Bangkok Bank a/c on 8/10
-minus \$500,000 got from JSN-Canada to UJ's Bangkok Bank a/c on 10/10
(3) Short = \$1,790,500.-

Need Money :
+\$ 657,000.00 Budget in next week (1)
+\$ 1,790,500.00 short in this week (3)
Total = \$2,447,500.-

Please transfer \$ 2,447,500.- as..

1st \$400,000.- please transfer on Tuesday 14/10 to Utopia Jewellery -Bangkok Bank account (186-306-1881)

2nd \$2,047,500.- please transfer on Thursday 16/10 to Utopia Jewellery -Bangkok Bank account (186-306-1881)

Thank you., Somkit

Remark :
Madam 's Utopia Owe

-\$3,658,661.- In book
-\$ 260,000.- 6 kg gold
-\$ 1,880,000.- Sharon 's cheques 56.67 million Baht
= \$5,798,661.-

And \$722,000.- as (Due in 1st week of October 2014)

-\$ 472,000.- Borrow money from Sam 15 million Baht
-\$ 250,000.00 Borrow from Sam private (money from Moses) on 31 Mar 14
Total = \$722,000.-

-\$150,000 Borrow money from Madam on 4 Apr 14
-minus Euro 55,000 pay back to Madam on 2/5(10,000) ,16/5 (10,000) ,22/5(10,000) ,3/6 (25,000)

--

With Best Regards,

Somkit Chanchariyakul
Accounting Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601

--

With Best Regards,

Somkit Chanchariyakul
Accounting Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601

Summary : Own to Sharon / Sam

1	IN BOOK	\$3,658,661.94
2	6 kg Gold	\$260,000.00
3	Diamond 's cheques (56.67 M.)	\$1,880,000.00
4	Borrow from Sam (15 M.)	\$500,000.00
Total		<hr/> \$6,298,661.94 <hr/>

MADAM STATEMENT

IT.	DUE DATE	DESCRIPTIONS	AMOUNT	Cheque no.	IN	OUT
0		From Madam - 6 kg Gold				
1	22-Jul-10	TO Dr.-\$69,420.- From Madam	\$69,420.00			
2	22-Jul-10	TO UTOPIA -\$10,000.- From Madam(Sharon stone A/C)	\$10,000.00			
3	23-Jul-10	RECEIVE \$25,500.-DOJI TO MADAM	(\$25,500.00)			
4	27-Jul-10	RECEIVE \$28,904 MODANI TO MADAM	(\$28,904.00)			
5	27-Jul-10	Utopia Diamonds -\$681,266.90	\$681,266.90			
6	28-Jul-10	USE \$7,000.- FROM SHARON A/C TO KIRAN	\$7,000.00			
7	25-Aug-10	Sale To Yoni-\$8,477.28 To Madam- Memo#5/ LC0017/10	(\$8,477.28)			
8	24-Aug-10	UK-OLGA PROJECT (Money from Madam)	\$350,000.00			
9	26-Aug-10	TO MADAM-Swift to HSBC - OLGA PROJECT	(\$350,000.00)			
10	3-Sep-10	FROM MADAM-\$38,500.- @ 31.20	\$38,500.00		1,201,200.00	
11	3-Sep-10	MONEY FROM YONI-\$57,700.- @ 31.20	\$57,700.00		1,800,000.00	
12	7-Sep-10	FROM MADAM-\$200,000.- @ 31.20 by Superich	\$200,000.00		6,240,000.00	
13	7-Sep-10	Dr.-\$57,105.- by Madam (US\$ note)	\$57,105.00			
14	7-Sep-10	TO DUDU -\$43,500.- by Madam (Yoni-\$57,700.- 3/9/10)	\$0.00			
15	7-Sep-10	RECEIVE \$25,000.-DOJI TO MADAM	(\$25,000.00)			
16	20-Sep-10	RECEIVE \$40,000 from Doji to Madam	(\$40,000.00)			
17	21-Sep-10	RETURN TO H.KRISANA (Swift BY SUPERICH)	(\$100,000.00)	0933047-8		3,103,000.00
18	22-Sep-10	TO MADAM-Swift to HSBC	(\$270,000.00)			
19	22-Sep-10	Sale To Yoni-\$1,023.75 (B.31,000 + \$ 20) Momo#9 TO MADAM	(\$1,023.75)			
20	4-Oct-10	LOAM FROM MD.-\$200,000.- @ 30.10	\$200,000.00		6,020,000.00	
21	5-Oct-10	UK-OLGA BY MADAM	\$55,555.00			
22	7-Oct-10	TO MADAM-Swift to HSBC	(\$255,555.00)			
23	7-Oct-10	PAY TO BOMBAY DIAMOND BY MADAM	\$7,000.00			
24	11-Oct-10	RECEIVE from MAMA SU -Inv.Lc0021/10 by Madam	(\$6,236.00)	1/2		
25	13-Oct-10	From SHARON STONE \$225,000.- @ 29.78	\$225,000.00		6,700,000.00	
26	14-Oct-10	RECEIVE from MAMA SU -Inv.Lc0021/10 by Madam	(\$3,000.00)	2/2		
27	14-Oct-10	Swift to Olga Project-\$44,692 by Madam	\$44,692.00			
28	15-Oct-10	MADAM PAY TO DANY FOR INDIA SALARY	\$6,250.00			
29	19-Oct-10	LOAM FROM MD.-\$100,000.- @ 30.01	\$100,000.00		3,001,000.00	
30	4-Nov-10	MADAM PAY TO DANY FOR INDIA SALARY	\$5,000.00			
31	23-Nov-10	RECEIVE \$40,000.-DOJI TO MADAM	(\$40,000.00)			
32	2-Dec-10	RECEIVE \$40,000.-DOJI TO MADAM	(\$40,000.00)			
33	2-Dec-10	RECEIVE \$3,968.64-MAMASU (UTD10051) LC0027/10	(\$3,968.64)			
34	8-Dec-10	Sale To Yoni-\$5,161.10 Momo#12 TO MADAM@30.15	(\$5,161.10)			
35	13-Dec-10	TO MADAM-\$4,000.- @ 30.05 (\$4,000.00)	(\$4,000.00)			120,200.00
36	13-Dec-10	Sale To Yoni-\$1,025 TO MADAM	(\$1,025.00)			
37	21-Jan-11	MADAM PAY \$15,000 TO DANY FOR India 's office	\$15,000.00			

MADAM STATEMENT

IT.	DUE DATE	DESCRIPTIONS	AMOUNT	Cheque no.	IN	OUT
38	21-Jan-11	MADAM PAY \$3,000 TO ISRAEL FOR AVI-Advance	\$3,000.00			
39	28-Jan-11	Return TO MADAM-\$18000.-(\$15,000+\$3,000)	(\$18,000.00)			558,000.00
40	25-Feb-11	RECEIVE \$40,000.-DOJI TO MADAM	(\$40,000.00)			
41	10-Mar-11	Loan from MD-K.SAM/Madam	(\$109,900.00)		3,300,000.00	
42	18-Mar-11	Tisco Bank - Ampire Condo release-B.3,670,000.-				
		This money Mr.Joseph Owe to K.Sam				
		Mr.Joseph pay return back to Sam.				
43	11-Mar-11	MADAM PAY \$3,400 TO SAM (For Mr.Joseph)	\$3,400.00			
44	15-Mar-11	Return to MADAM-\$3,400.- (For Mr.Joseph)	(\$3,400.00)			103,632.00
45	5-Apr-11	and Avi clear \$3,000@ 30.20 + 50,000 to Sam	\$4,655.00			
46	11-Apr-11	SAM TAKE FROM MADAM-\$1,500.-(TO DIMA)	\$1,500.00			
47	12-Apr-11	TAKE FROM SAM-400,000 FOR Superich to Hari Krishna	\$13,236.00		400,000.00	
48	20-Apr-11	KIKISA PAY TO SAM-HSBC IN HONGKONG	(\$9,037.00)			
49	22-Apr-11	TO UTOPIA (K-BANK)- From SAM A/C (rate29.90)	\$118,730.00		3,550,000.00	
50	22-Apr-11	TO UTOPIA (BBL)- From SAM A/C(rate 29.90)	\$48,495.00		1,450,000.00	
51	3-May-11	LOAN FROM MD.-\$350,000 @ 29.85 by Hover	\$350,000.00		10,447,500.00	
52	3-May-11	LOAN FROM MD. -Rate 29.85	\$50,921.00		1,520,000.00	
53	3-May-11	LOAN FROM MD. -Rate 29.85	\$50,251.00		1,500,000.00	
54	3-May-11	LOAN FROM MD. -Rate 29.85	\$39,531.00		1,180,000.00	
55		Paid from Sam-private in Jan 2011				
56		Laxmi-UK 480/09-10 - (UK)	\$157,322.61			
57		Sanghavi-SE/1261	\$109,516.55			
58		Sanghavi-SE/127	\$20,893.20			
59		Sanghavi-UK - SE/1075 - (UK)	\$45,722.55			
60		MICHAEL DAVIDOV-inv.200398	\$70,729.74			
61	6-May-11	RECEIVE \$45,000.-DOJI TO SAM	(\$45,000.00)			
62	10-May-11	Return To MD-Private-parcel\$25,798 @ 30.13	(\$25,798.00)	7303301		
63	13-May-11	TO Dr.-\$54,325 @ 30.20 BY SAM -BBL Private a/c	\$54,325.00			
64	16-May-11	DOJI T/T TO HSBC HONGKONG	(\$15,000.00)			
65	15-Jun-11	Sale To Yoni-B.118,000.-To Madam- #YN-2011 (Have to change 8,497.20)	(\$3,608.00)			
66	6-Jun-11	PAY TO Dr.-\$61,455 @ 30.22 By BBL A/C-SAM	\$61,455.00		1,857,170.00	
67	6-Jul-11	MADAM TAKE \$65,000.-in HSBC A/C in Hongkong From INDIA	(\$65,000.00)			
68	12-Jul-11	Sale To Donati-LC0015/11-\$21,270 To Madam- (note\$3,540 + cheque B.533,850.-)	(\$21,270.00)			
69	18-Jul-11	RECEIVE \$30,000.-DOJI TO MADAM	(\$30,000.00)			
70	21-Jul-11	PAY TO Dr.-\$100,000 By USD note from Madam +0.13	\$100,000.00		3,000,000.00	
71	22-Jul-11	LOAN FROM MD.-SAM (BBL-A/C) @29.80	\$234,900.00		7,000,000.00	
72	26-Jul-11	LOAN FROM MD.-SAM (BBL-S/C) @29.70	\$67,340.00		2,000,000.00	
73	27-Jul-11	RETURN TO MD.-SAM (BBL-S/A)	(\$402,240.00)	8995325		12,000,000.00

MADAM STATEMENT

IT.	DUE DATE	DESCRIPTIONS	AMOUNT	Cheque no.	IN	OUT
74	27-Jul-11	Loan from MD-Sam (BBL-a/c) for tt \$36,915.60 Munjani	\$37,000.00		1,100,000.00	
75	28-Jul-11	LOAN FROM MD.-SAM (BBL-S/C) @29.70	\$117,850.00		3,500,000.00	
76	29-Jul-11	GPC FROM JEORGE 2,224 GM.-UTOPIA TAKE 1,224 GM				
77	29-Jul-11	LOAN FROM MD.-SAM (BBL-S/A) @29.70	\$134,680.00		4,000,000.00	
78	8-Aug-11	DOJI T/T TO HSBC HONGKONG	(\$30,000.00)			
79	15-Aug-11	PAY TO Dr.-\$80,000 By USD note from Madam +0.14	\$80,000.00		2,392,000.00	
80	17-Aug-11	MICHAEL (Sheli Tours-CitiBank Card)	\$1,473.48			
81	30-Aug-11	ELECTRO Department take 500 gm GPC from Madam	\$19,816.00			
82	13-Sep-11	ELECTRO Department take 500 gm GPC from Madam	\$20,248.00			
83	15-Sep-11	RECEIVE \$25,000.-DOJI TO MADAM	(\$25,000.00)			
84	20-Sep-11	LOAN FROM MD-(SAM BBL A/C)for 1 kg gold@30.61	\$57,475.00		1,759,300.00	
85	21-Sep-11	LOAN FROM MD-USD NOTE \$60,000.- @ 30.35	\$60,000.00		1,821,000.00	
86	26-Sep-11	RECEIVE \$20,000.-DOJI TO MADAM	(\$20,000.00)			
87	3-Oct-11	LOAN FROM MD-USD NOTE \$60,000.- @ 31.23	\$60,000.00		1,873,800.00	
88	18-Oct-11	RECEIVE \$20,000.-DOJI TO SAM	(\$20,000.00)			
89	2-Nov-11	Return To MD - K.Sam (To BBL)-\$20,000.- @ 30.75	(\$20,000.00)	2274664		615,000.00
90	3-Nov-11	COHEN SHMUEL-IR11560010 T/T TO UTOPIA	\$300,000.00			
91	24-Nov-11	Return To MD -CLEAR STOCK BOI (Sam approve record in Madam a/c)	(\$4,792.00)	2278575		150,000.00
92	7-Dec-11	RECEIVE \$20,000.-DOJI TO MADAM	(\$20,000.00)			
93	12-Jan-12	RETURN TO MD.-\$15,263.-@ 31.85	(\$15,263.00)	3325862		486,126.55
		\$10,00.-(Rent WLD) + \$5,263 (20,000.-Nis for Orit)				
94	13-Feb-12	RECEIVE \$30,000.-DOJI TO MADAM	(\$30,000.00)			
		(This item already record in Sam/Joseph A/C)	\$30,000.00			
95	15-Feb-12	PAY TO Tamuz By Madam	\$4,800.00			
96	15-Feb-12	PAY TO Martin for commission By Madam	\$1,000.00			
97	24-Feb-12	MADAM PAY TO RONY-B.1,700,000.- @ 30.55	\$55,647.00	Private money		
		(This item already record in Sam/Joseph A/C)	(\$55,647.00)			
98	2-Mar-12	RECEIVE \$70,000.-DOJI TO SAM	(\$70,000.00)			
99	31-Mar-12	LOAN FROM MD.-Madam pay to Roee(\$7,800.-) (from 14/2/12 - 31/3/12)	\$10,000.00			
100	01-Apr-12	MADAM PAY TO WLD.	\$433,000.00	Private money		
101	3-Apr-12	DOJI T/T TO HSBC HONGKONG	(\$3,535.00)			
102	10-Apr-12	RECEIVE \$18,588 Local Diamond TO Madam	(\$18,588.00)			
103	10-Apr-12	LOAN FROM MD.-\$130,000.- @ 30.93	\$130,000.00		4,020,900.00	
104	23-Apr-12	LOAN FROM MD.-\$120,000.- @ 30.90	\$120,000.00		3,708,000.00	
105	24-Apr-12	Return TO Madam.-\$50,000.- @ 31.03	(\$50,000.00)	4745039		1,551,500.00
106	30-Apr-12	RETURN TO MD.-\$40,000.- @ 30.72	(\$40,000.00)	4745114		1,228,400.00
107	01-May-12	LOAN FROM MD.-Madam pay to Mona (As per Joseph)	\$2,500.00			
108	2-May-12	T/T to G.ARABOV DIA.-Inv.90211-36-1(Private)	(\$45,500.00)			

MADAM STATEMENT

IT.	DUE DATE	DESCRIPTIONS	AMOUNT	Cheque no.	IN	OUT
109	3-May-12	RETURN TO MD.-OMRI \$19,500.- @ 30.88	(\$19,500.00)	4745130		602,160.00
110	11-May-12	LOAN FROM MD.-\$210,000.- @ 31.10	\$210,000.00		6,531,000.00	
111	14-May-12	RECEIVE \$80,000.-DOJI TO SAM	(\$80,000.00)			
112	14-May-12	Return TO Madam.-\$70,000.- @ 31.22	(\$70,000.00)	6421544-5		2,185,400.00
113	18-May-12	LOAN FROM MD.-\$120,000.- @ 31.38	\$120,000.00		3,765,600.00	
114	21-May-12	PAY TO ITAL By Madam (For My Diamond)	\$20,000.00			
115	22-May-12	Return TO Madam.-\$90,000.- @ 31.29	(\$90,000.00)	6421609,11		2,816,100.00
116	25-May-12	LOAN FROM MD.-\$85,000.- @ 31.65	\$85,000.00		2,690,250.00	
117	25-May-12	LOAN FROM MD.-B. 1,600,000.- @ 31.65	\$50,553.00		1,600,000.00	
118	29-May-12	LOAN FROM MD.-Madam return payment of Roni	\$50,000.00			
119	06-Jun-12	LOAN FROM MD.-Madam pay Roece 's salary (Apr+May)	\$15,600.00			
120	7-Jun-12	Return To MD -to Joseph Kantor(BBL1015580788) B.72,000.-	(\$2,292.00)	6421430		72,000.00
121	8-Jun-12	LOAN RETURN MD.-Roece 's \$7,800.-	(\$7,800.00)	6421431		246,000.00
122	14-Jun-12	PAY TO DANY By Madam (For Advance) -90,000.-	\$2,855.00			
		DANY PAY BACK TO MADAM -5/7/12	(\$2,850.00)			
123	26-Jun-12	RETURN TO MD.-OMRI \$3,430 @ 31.90	(\$3,430.00)	6432800		109,417.00
124	03-Jul-12	LOAN FROM MD.-Madam pay Roece 's salary	\$6,303.00			
	12-Jul-12	Return To Madam (ROY)-\$6,303.- @ 31.80	(\$6,303.00)	6433005		200,435.00
125	05-Jul-12	RETURN TO MADAM-DANY Advance -90,000.-	(\$2,855.00)			
126	21-Aug-12	SAM GIVE MR.JOSEPH BY CASH	\$5,000.00			
127	28-Aug-12	RETURN TO MADAM-\$48,800.- @ 31.39	(\$48,800.00)	8446672		1,531,832.00
128	31-Aug-12	LOAN FROM MADAM \$89,800.- @ 31.37	\$89,800.00		2,817,026.00	
129	6-Sep-12	RETURN TO MADAM \$128,000.- @ 31.32	(\$128,000.00)	8446744-6		4,008,960.00
130		REGARDING Borrow from ITAY				
	22-Oct-10	FROM ITAY-\$185,000. - @ 30.03	\$185,000.00		5,555,550.00	
	8-Nov-10	RETURN TO ITAY = 155,550.- BAHT	(\$5,180.00)	2519225		155,550.00
	19-Sep-12	RETURN TO ITAY-\$6,756.- By Madam Note (Last Payment)				
131	21-Sep-12	RETURN TO MADAM-\$78,356.50 rate 30.94	(\$78,356.50)	8446782-3		2,424,350.00
132	27-Sep-12	LOAN FROM MADAM \$148,800.-@ 30.98	\$148,800.00		4,609,824.00	
133	16-Oct-12	LOAN FROM MADAM \$91,350.-@ 30.65	\$91,350.00		2,800,000.00	
134	29-Oct-12	LOAN FROM MADAM \$40,000.- 30.70 (KB)	\$40,000.00		1,228,000.00	
135	29-Oct-12	LOAN FROM MADAM \$90,000.- 30.70 (BBL)	\$90,000.00		2,763,000.00	
136	31-Oct-12	LOAN FROM MADAM -550,000.- Baht (BBL)	\$17,945.00		550,000.00	
137	5-Nov-12	RECEIVE \$11,250.-DOJI TO MADAM	(\$11,250.00)			
138	6-Nov-12	RETURN TO MADAM-\$120,000.- @ 30.82 (BBL)	(\$120,000.00)	3591899-900		3,698,400.00
139	8-Nov-12	Return To MADAM-t/t to HSBC @ 30.73 (BBL)	(\$200,000.00)			6,147,150.00
140	13-Nov-12	LOAN FROM MADAM \$150,000.- @ 30.66 (BBL)	\$150,000.00		4,599,000.00	
141	20-Nov-12	Return To MADAM-\$163,000.-@ 30.67 (KB)	(\$163,000.00)	0246898		5,000,000.00

IT.	DUE DATE	DESCRIPTIONS	AMOUNT	Cheque no.	IN	OUT
142	29-Nov-12	Return To Madam-(from KB Fix a/c close) @ 30.68	(\$16,300.00)	0246947		500,000.00
143	29-Nov-12	Return To MADAM- (BBL)(from Leasing)@30.68	(\$71,700.00)	3592106-7		2,200,000.00
144	29-Nov-12	RECEIVE 12,000.-(\$390) Guy TO MADAM	(\$390.00)			
145	14-Dec-12	LOAN FROM MADAM \$62,030.- @ 30.63 (BBL)	\$62,030.00		1,900,000.00	
146	28-Dec-12	Return To MADAM- (BBL)(from Vat)@30.50	(\$137,705.00)	0247033		4,200,000.00
147	08-Jan-13	LOAN FROM MADAM \$148,075.- @ 30.63 (BBL)	\$148,075.00		4,500,000.00	
148	16-Jan-13	LOAN FROM MADAM \$133,645.- @ 29.93 (BBL)	\$133,645.00		4,000,000.00	
149	24-Jan-13	LOAN FROM MADAM \$81,030.- @ 29.62 (BBL)	\$81,030.00		2,400,000.00	
150	29-Jan-13	LOAN FROM MADAM \$53,620.- @ 29.84 (BBL)	\$53,620.00		1,600,000.00	
151	05-Feb-13	LOAN FROM MADAM \$8,065.- @ 29.76 (BBL)	\$8,065.00		240,000.00	
152	19-Feb-13	LOAN FROM MADAM \$200,000.- @ 29.82 (KB)	\$200,000.00	HOOVER	5,964,000.00	
153	26-Feb-13	LOAN FROM MADAM \$100,000.- @ 29.80 (KB)	\$53,620.00	HOOVER	2,980,000.00	
154	04-Apr-13	LOAN FROM MADAM(Omri) \$27,275.- @ 29.33 (BBL)	\$27,275.00		800,000.00	
155	18-Apr-13	Return to MADAM(Omri) \$27,275.- @ 29.33 (BBL)	(\$27,275.00)	3646605		800,000.00
156	18-Jan-13	LOAN FROM Madam- Optica-Halperin (18/1/13)	\$19,687.00			
157	11-Mar-13	LOAN FROM Madam- Optica-Halperin (11/3/13)	\$3,620.00			
158	08-Feb-13	RECEIVE \$3,239.-DOJI TO MADAM	(\$3,239.00)			
159	20-Feb-13	RECEIVE \$43,088.-DOJI TO MADAM	(\$43,088.00)			
160	30-Apr-13	LOAN FROM Madam-pay Roy's salary (Jan, Feb, Mar)	\$21,000.00			
161	20-May-13	LOAN FROM MADAM \$99,800.- 29.81 (BBL)	\$99,800.00		2,975,038.00	
162	28-May-13	Return To MADAM-\$100,000.-@ 29.90 (BBL)	(\$100,000.00)	3647022-3		2,990,000.00
163	03-Jun-13	LOAN FROM Madam-pay Roy's salary (April)	\$10,500.00			
164	03-Jun-13	LOAN FROM Madam-pay Mona (Commission open)	\$5,000.00			
165	05-Jun-13	LOAN FROM Madam-Moses t/t to GD.by Sam 's money	\$200,000.00			
166	11-Jun-13	Return to Madam-pay Roy's salary (April)	(\$10,500.00)	3647121		323,615.00
167	11-Jun-13	LC0010/13 to SAM -Pendant 9YG 34 pcs @ 30.-	(\$1,520.82)			45,624.60
168	19-Jun-13	LOAN TO MD.- Madam \$3,000.- @ 30.80	(\$3,000.00)	3664224		92,400.00
169	01-Jul-13	USD Note \$17,000.- to DuDu by Madam	\$17,000.00			
170	02-Jul-13	LOAN FROM MADAM \$75,000.- @ 30.87	\$75,000.00		2,315,250.00	
171	4-Jul-13	Return To MADAM-\$24,000.-@ 31.06 (KB) Effi	(\$24,000.00)	1800511		745,440.00
172	21-Aug-13	T/T to Omri by Hoover \$60,000.-@ 31.80+1,000.-(\$60,000)	(\$60,000.00)	3680892		1,909,000.00
173	28-Aug-13	LOAN TO MD.- Yoni \$40,000.- @ 32.27	(\$40,000.00)	3681019		1,290,800.00
174	09-Oct-13	LOAN FROM MD.- Madam (Sam BBL -A/C) @31.40	\$63,695.00		2,000,000.00	
175	14-Oct-13	LOAN FROM MD.- Madam (Sam BBL -A/C) @31.30	\$127,795.00		4,000,000.00	
176	11-Oct-13	Return LOAN TO MD.- Madam (Sam BBL -A/C)	(\$63,695.00)	3697561		2,000,000.00
177	16-Oct-13	Return LOAN TO MD.- Madam (Sam BBL -A/C)	(\$127,795.00)	3697611		4,000,000.00
178	22-Oct-13	LOAN FROM MD.- Madam (Sam BBL -A/C) @ 31.14	\$25,690.00		800,000.00	
179	24-Oct-13	Return LOAN TO MD.- Madam (Sam BBL -A/C)	(\$25,690.00)	3709539		800,000.00

MADAM STATEMENT

IT.	DUE DATE	DESCRIPTIONS	AMOUNT	Cheque no.	IN	OUT
180	28-Oct-13	LOAN FROM MD.- Madam (Sam BBL -A/C) @ 31.-	\$200,000.00		6,200,000.00	
181	01-Nov-13	LOAN FROM MD.- Sam (Money from Omri) @ 31.05	\$32,206.00		1,000,000.00	
182	29-Nov-13	RETURN TO MD.- Money from Omri 1 M. (1/11/13)+\$40,000 (30/10/13)	(\$72,206.00)	3716065-6		2,325,033.00
183	11-Nov-13	LOAN FROM MD.- Madam (\$70,000 @ 31.58)	\$70,000.00		2,210,600.00	
184	12-Nov-13	LOAN FROM MD.- Madam -\$100,000 @ 31.53	\$100,000.00		3,153,000.00	
185	15-Nov-13	Return to MD.-OGA PROJECT -\$43,000 @ 31.58	(\$43,000.00)	3715879		1,357,940.00
186	26-Nov-13	LOAN FROM MD.-SALE CAR -ᐃᐃ 9873 @ 31.20	\$17,215.00		537,100.00	
187	09-Dec-13	LOAN FROM MD.-\$70,000 @ 32.02 (Hoover) (KB)	\$70,000.00		2,241,400.00	
188	12-Dec-13	RETURN TO MD.-\$70,000 @ 32.12 ref.9/12/13	(\$70,000.00)	3716239-40		2,248,400.00
189	18-Dec-13	Return To MD -\$40,000 @ 32.20 to DuDu (KB)	(\$40,000.00)	1800625		1,288,000.00
190	2-Jan-14	Return To MD-\$100,000.- @ 32.88 (Buy Note)	(\$100,000.00)	3716314-5		3,288,000.00
191	2-Jan-14	Return To MD-\$219,000 @ 32.90 (Deposit in BBL-Sam)	(\$219,000.00)	3716316-9		7,205,100.00
192	8-Jan-14	Loan from MD-Sam take \$5,000.- from Madam	\$5,000.00			
193	8-Jan-14	Return To MD-\$153,000 @ 33.03 (Deposit in BBL-Sam)	(\$153,000.00)	3728753-5		5,053,590.00
194	15-Jan-14	Return TO MD-SAM (BBL-A/C)from VAT @ 32.75	(\$116,030.00)	3728788-9		3,800,000.00
195	20-Jan-14	Loan from MD-Sam BBL account @ 32.88	\$12,165.00		400,000.00	
196						
197						
198						
199						
200						
201			\$3,658,661.94			

+ 6 KG GOLD

	5-Oct-11	IMPORT 10 KG GOLD FROM JSN-CANADA			UTOPIA STOCK	OWE TO MADAM
		-4 KG GOLD BELONG TO UTOPIA JEWELLERY			4.00	
		-6 KG GOLD -RETURN TO MADAM				
	9-Oct-11	TO CASTING 1 KG			-1.00	
	14-Oct-11	TO CASTING 1 KG			-1.00	
	16-Oct-11	TO CASTING 1 KG			-1.00	
	17-Oct-11	TO CASTING 2 KG			-1.00	-1.00

MADAM STATEMENT

IT.	DUE DATE	DESCRIPTIONS	AMOUNT	Cheque no.	IN	OUT
	18-Oct-11	TO CASTING 1 KG				-1.00
	19-Oct-11	TO CASTING 1 KG				-1.00
	21-Oct-11	TO CASTING 2 KG				-2.00
	24-Oct-11	TO CASTING 1 KG				-1.00
		TOTAL			0.00	-6.00

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From Dany's salary 5/7/12

BALANCE

Ask Sam/Madam How record ? (DuDu)

Ask Sam/Madam How record ? (DuDu)

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99	100

BANGKOK BANK A/C 1863061881 (OVER DRAFT 28,000,000.- BAHT) INTEREST MLR , (START 23/7/12 +10 I

(A = ESTIMATE , H = IN HAND , m = IN MOR , D = DELAY , W = WAITING FOR SIGN)

IT.	DUE DATE	DESCRIPTIONS	CHEQUE NO.		IN
0		B/F			
1		.			
2	07-Jun-13	Sharon Stone - ST20120011-079	3610111	1/90	
3	08-Jun-13	Sharon Stone - ST20120011-079	3610112	2/90	
4	09-Jun-13	Sharon Stone - ST20120011-079	3610113	3/90	
5	14-Jun-13	Sharon Stone - ST20120011-079	3610114	4/90	
6	15-Jun-13	Sharon Stone - ST20120011-079	3610115	5/90	
7	16-Jun-13	Sharon Stone - ST20120011-079	3610116	6/90	
8	21-Jun-13	Sharon Stone - ST20120011-079	3610117	7/90	
9	22-Jun-13	Sharon Stone - ST20120011-079	3610118	8/90	
10	23-Jun-13	Sharon Stone - ST20120011-079	3610119	9/90	
11	28-Jun-13	Sharon Stone - ST20120011-079	3610120	10/90	
12	29-Jun-13	Sharon Stone - ST20120011-079	3610121	11/90	
13	30-Jun-13	Sharon Stone - ST20120011-079	3610122	12/90	
14	05-Jul-13	Sharon Stone - ST20120011-079	3610123	13/90	
15	06-Jul-13	Sharon Stone - ST20120011-079	3610124	14/90	
16	07-Jul-13	Sharon Stone - ST20120011-079	3610125	15/90	
17	12-Jul-13	Sharon Stone - ST20120011-079	3610126	16/90	
18	13-Jul-13	Sharon Stone - ST20120011-079	3610127	17/90	
19	14-Jul-13	Sharon Stone - ST20120011-079	3610128	18/90	
20	19-Jul-13	Sharon Stone - ST20120011-079	3610129	19/90	
21	20-Jul-13	Sharon Stone - ST20120011-079	3610130	20/90	
22	21-Jul-13	Sharon Stone - ST20120011-079	3610131	21/90	
23	26-Jul-13	Sharon Stone - ST20120011-079	3610132	22/90	
24	27-Jul-13	Sharon Stone - ST20120011-079	3610133	23/90	

25	28-Jul-13	Sharon Stone - ST20120011-079	3610134	24/90	
26	02-Aug-13	Sharon Stone - ST20120011-079	3610135	25/90	
27	03-Aug-13	Sharon Stone - ST20120011-079	3610136	26/90	
28	04-Aug-13	Sharon Stone - ST20120011-079	3610137	27/90	
29	09-Aug-13	Sharon Stone - ST20120011-079	3610138	28/90	
30	11-Aug-13	Sharon Stone - ST20120011-079	3610140	30/90	
31	10-Aug-13	Sharon Stone - ST20120011-079	3610139	29/90	
32	16-Aug-13	Sharon Stone - ST20120011-079	3610141	31/90	
33	17-Aug-13	Sharon Stone - ST20120011-079	3610142	32/90	
34	18-Aug-13	Sharon Stone - ST20120011-079	3610143	33/90	
35	23-Aug-13	Sharon Stone - ST20120011-079	3610144	34/90	
36	24-Aug-13	Sharon Stone - ST20120011-079	3610145	35/90	
37	25-Aug-13	Sharon Stone - ST20120011-079	3610146	36/90	
38	30-Aug-13	Sharon Stone - ST20120011-079	3610147	37/90	
39	31-Aug-13	Sharon Stone - ST20120011-079	3610148	38/90	
40	01-Sep-13	Sharon Stone - ST20120011-079	3610149	39/90	
41	06-Sep-13	Sharon Stone - ST20120011-079	3610150	40/90	
42	07-Sep-13	Sharon Stone - ST20120011-079	3610151	41/90	
43	08-Sep-13	Sharon Stone - ST20120011-079	3610152	42/90	
44	13-Sep-13	Sharon Stone - ST20120011-079	3610153	43/90	
45	14-Sep-13	Sharon Stone - ST20120011-079	3610154	44/90	
46	15-Sep-13	Sharon Stone - ST20120011-079	3610155	45/90	
47		.			
48	20-Sep-13	Sharon Stone - ST20120011-079	3610156	46/90	
49	21-Sep-13	Sharon Stone - ST20120011-079	3610157	47/90	
50	22-Sep-13	Sharon Stone - ST20120011-079	3610158	48/90	
51		.			
52	27-Sep-13	Sharon Stone - ST20120011-079	3610159	49/90	
53	28-Sep-13	Sharon Stone - ST20120011-079	3610160	50/90	

54	29-Sep-13	Sharon Stone - ST20120011-079	3610161	51/90	
55		.			
56	04-Oct-13	Sharon Stone - ST20120011-079	3610162	52/90	
57	04-Oct-13	Sharon Stone - PI2012-0030-54	3610266	1/39	
58	05-Oct-13	Sharon Stone - PI2012-0030-54	3610267	2/39	
59	05-Oct-13	Sharon Stone - ST20120011-079	3610163	53/90	
60	06-Oct-13	Sharon Stone - ST20120011-079	3610164	54/90	
61	06-Oct-13	Sharon Stone - PI2012-0030-54	3610268	3/39	
62		.			
63	11-Oct-13	Sharon Stone - ST20120011-079	3610165	55/90	
64	11-Oct-13	Sharon Stone - PI2012-0030-54	3610269	4/39	
65	12-Oct-13	Sharon Stone - PI2012-0030-54	3610270	5/39	
66	12-Oct-13	Sharon Stone - ST20120011-079	3610166	56/90	
67	13-Oct-13	Sharon Stone - ST20120011-079	3610167	57/90	
68	13-Oct-13	Sharon Stone - PI2012-0030-54	3610271	6/39	
69		.			
70	18-Oct-13	Sharon Stone - PI2012-0030-54	3610272	7/39	
71	18-Oct-13	Sharon Stone - ST20120011-079	3610168	58/90	
72	19-Oct-13	Sharon Stone - ST20120011-079	3610169	59/90	
73	19-Oct-13	Sharon Stone - PI2012-0030-54	3610273	8/39	
74	20-Oct-13	Sharon Stone - PI2012-0030-54	3610274	9/39	
75	20-Oct-13	Sharon Stone - ST20120011-079	3610170	60/90	
76		.			
77	25-Oct-13	Sharon Stone - ST20120011-079	3610171	61/90	
78	25-Oct-13	Sharon Stone - PI2012-0030-54	3610275	10/39	
79	26-Oct-13	Sharon Stone - PI2012-0030-54	3610276	11/39	
80	26-Oct-13	Sharon Stone - ST20120011-079	3610172	62/90	
81	27-Oct-13	Sharon Stone - ST20120011-079	3610173	63/90	
82	27-Oct-13	Sharon Stone - PI2012-0030-54	3610277	12/39	

83					
84	01-Nov-13	Sharon Stone - ST20120011-079	3610174	64/90	
85	01-Nov-13	Sharon Stone - PI2012-0030-54	3610278	13/39	
86	02-Nov-13	Sharon Stone - PI2012-0030-54	3610279	14/39	
87	02-Nov-13	Sharon Stone - ST20120011-079	3610175	65/90	
88	03-Nov-13	Sharon Stone - ST20120011-079	3610176	66/90	
89	03-Nov-13	Sharon Stone - PI2012-0030-54	3610280	15/39	
90					
91	08-Nov-13	Sharon Stone - PI2012-0030-54	3610281	16/39	
92	08-Nov-13	Sharon Stone - ST20120011-079	3610177	67/90	
93	09-Nov-13	Sharon Stone - ST20120011-079	3610178	68/90	
94	09-Nov-13	Sharon Stone - PI2012-0030-54	3610282	17/39	
95	10-Nov-13	Sharon Stone - PI2012-0030-54	3610283	18/39	
96	10-Nov-13	Sharon Stone - ST20120011-079	3610179	69/90	
97					
98	15-Nov-13	Sharon Stone - ST20120011-079	3610180	70/90	
99	15-Nov-13	Sharon Stone - PI2012-0030-54	3610284	19/39	
100	16-Nov-13	Sharon Stone - PI2012-0030-54	3610285	20/39	
101	16-Nov-13	Sharon Stone - ST20120011-079	3610181	71/90	
102	17-Nov-13	Sharon Stone - ST20120011-079	3610182	72/90	
103	17-Nov-13	Sharon Stone - PI2012-0030-54	3610286	21/39	
104					
105	22-Nov-13	Sharon Stone - PI2012-0030-54	3610287	22/39	
106	22-Nov-13	Sharon Stone - ST20120011-079	3610183	73/90	
107	23-Nov-13	Sharon Stone - ST20120011-079	3610184	74/90	
108	23-Nov-13	Sharon Stone - PI2012-0030-54	3610288	23/39	
109	24-Nov-13	Sharon Stone - PI2012-0030-54	3610289	24/39	
110	24-Nov-13	Sharon Stone - ST20120011-079	3610185	75/90	
111					

112					
113	29-Nov-13	Sharon Stone - ST20120011-079	3610186	76/90	
114	29-Nov-13	Sharon Stone - PI2012-0030-54	3610290	25/39	
115	30-Nov-13	Sharon Stone - PI2012-0030-54	3610291	26/39	
116	30-Nov-13	Sharon Stone - ST20120011-079	3610187	77/90	
117	01-Dec-13	Sharon Stone - ST20120011-079	3610188	78/90	
118	01-Dec-13	Sharon Stone - PI2012-0030-54	3610292	27/39	
119					
120	06-Dec-13	Sharon Stone - PI2012-0030-54	3610293	28/39	
121	06-Dec-13	Sharon Stone - ST20120011-079	3610189	79/90	
122	07-Dec-13	Sharon Stone - ST20120011-079	3610190	80/90	
123	07-Dec-13	Sharon Stone - PI2012-0030-54	3610294	29/39	
124	08-Dec-13	Sharon Stone - PI2012-0030-54	3610295	30/39	
125	08-Dec-13	Sharon Stone - ST20120011-079	3610191	81/90	
126					
127	13-Dec-13	Sharon Stone - ST20120011-079	3610192	82/90	
128	13-Dec-13	Sharon Stone - PI2012-0030-54	3610296	31/39	
129	14-Dec-13	Sharon Stone - PI2012-0030-54	3610297	32/39	
130	14-Dec-13	Sharon Stone - ST20120011-079	3610193	83/90	
131	15-Dec-13	Sharon Stone - ST20120011-079	3610194	84/90	
132	15-Dec-13	Sharon Stone - PI2012-0030-54	3610298	33/39	
133					
134	20-Dec-13	Sharon Stone - PI2012-0030-54	3610299	34/39	
135	20-Dec-13	Sharon Stone - ST20120011-079	3610195	85/90	
136	21-Dec-13	Sharon Stone - ST20120011-079	3610196	86/90	
137	21-Dec-13	Sharon Stone - PI2012-0030-54	3610300	35/39	
138	22-Dec-13	Sharon Stone - PI2012-0030-54	3610301	36/39	
139	22-Dec-13	Sharon Stone - ST20120011-079	3610197	87/90	
140					

141	27-Dec-13	Sharon Stone - ST20120011-079	3610198	88/90	
142	27-Dec-13	Sharon Stone - PI2012-0030-54	3610302	37/39	
143	28-Dec-13	Sharon Stone - PI2012-0030-54	3610303	38/39	
144	28-Dec-13	Sharon Stone - ST20120011-079	3610199	89/90	
145	29-Dec-13	Sharon Stone - ST20120011-079	3610200	90/90	
146	29-Dec-13	Sharon Stone - PI2012-0030-54	3610304	39/39	
147					

$$M = \text{FIX} + 1.75 \%)$$

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478,008.00	-478,008.00
478,008.00	-956,016.00
478,008.00	-1,434,024.00
478,008.00	-1,912,032.00
478,008.00	-2,390,040.00
478,008.00	-2,868,048.00
478,008.00	-3,346,056.00
478,008.00	-3,824,064.00
478,008.00	-4,302,072.00
478,008.00	-4,780,080.00
478,008.00	-5,258,088.00
478,008.00	-5,736,096.00
478,008.00	-6,214,104.00
478,008.00	-6,692,112.00
478,008.00	-7,170,120.00
478,008.00	-7,648,128.00
478,008.00	-8,126,136.00
478,008.00	-8,604,144.00
478,008.00	-9,082,152.00
478,008.00	-9,560,160.00
478,008.00	-10,038,168.00
478,008.00	-10,516,176.00
478,008.00	-10,994,184.00

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478,008.00	-11,472,192.00
478,008.00	-11,950,200.00
478,008.00	-12,428,208.00
478,008.00	-12,906,216.00
478,008.00	-13,384,224.00
478,008.00	-13,862,232.00
478,008.00	-14,340,240.00
478,008.00	-14,818,248.00
478,008.00	-15,296,256.00
478,008.00	-15,774,264.00
478,008.00	-16,252,272.00
478,008.00	-16,730,280.00
478,008.00	-17,208,288.00
478,008.00	-17,686,296.00
478,008.00	-18,164,304.00
478,008.00	-18,642,312.00
478,008.00	-19,120,320.00
478,008.00	-19,598,328.00
478,008.00	-20,076,336.00
478,008.00	-20,554,344.00
478,008.00	-21,032,352.00
478,008.00	-21,510,360.00
	-21,510,360.00
478,008.00	-21,988,368.00
478,008.00	-22,466,376.00
478,008.00	-22,944,384.00
	-22,944,384.00
478,008.00	-23,422,392.00
478,008.00	-23,900,400.00

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APPENDIX "U"

From: Carla Eisnor [<mailto:Carla.Eisnor@jsnjewellery.com>]
Sent: Tuesday, May 17, 2016 12:15 PM
To: Aaron Miller
Cc: Andrew Prunier; Eric D. Campion (ECampion@saluscapital.com); Naveed Manzoor; Belcher, James
Subject: Utopia

Aaron,

I hope that I have included everything consistent with what was submitted last week.

Please let me know if I have missed anything.

Carla

Carla Eisnor
(T) 905-660-3277
carla.eisnor@jsnjewellery.com

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Carla Eisnor

This message is intended only for the use of the addressee(s) and may contain information that is PRIVILEGED and CONFIDENTIAL. If you are not the intended recipient(s), you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please erase all copies of the message and its attachments and notify us immediately.

Weekly Cash Budget

Week commencing

Week commencing			Budget (16-20 May)	
			FX	34
			Baht	USD
Salary costs			3,500,000	\$102,941
Subcontract			600,000	\$17,647
Purchases Other				\$0
Utility Expense & Rental				\$0
Shipping Expense			120,000	\$3,529
Accommodation & travel				\$0
Repair & Maintain				\$0
Service Charge				\$0
Tax & Duty / Social Fund				\$0
Miscellaneous Exp.				\$0
Bank Charge / interest				\$0
Other Expense			500,000	\$14,706
Equipment lease payments				\$0
Capex				\$0
			4,720,000	\$138,824
Raw Material- Diamond Overseas				\$150,000
Raw Material-Local	{	Gold		\$0
		PT		\$0
		PD		\$0
		Silver		\$0
		Other		\$0
		Diamond & Color Stone	1,277,572	\$37,576
Total local payment		1,277,572	\$37,576	
Other (formula to balance)				
Total budget for the week (A+B+C)			\$326,399	

*** This row is payment (not purchase)

DIAMOND & COLOR STONE CHEQUES

IT.	DUE DATE	DESCRIPTIONS	CHEQUE NO.	
0				
1	20-May-16	Brown Diam - Diamond - # 178	3926294	
2	20-May-16	Dynamic - Color Stone # 49/2401	3958075	H
3	20-May-16	Bright Future - Color Stone #	3958107	W
4	20-May-16	Rainbow - Color Stone # 1601/035	3958105	W
5	20-May-16	Sunny Creations - Color Stone # 42/2088	3958106	W
6	20-May-16	Kinjal - Diamond # 249 - 1/2		A
		TOTAL		

IN	OUT	BALANCE
	43,839.99	
	14,079.06	
	20,287.55	
	24,048.00	
	35,492.97	
	1,139,824.53	
	1,277,572.10	

Open Invoices

	Date	Inv No.	Exporter	Amount\$	Due date	Buyer
	09/09/2015	35871(C15247)	HINI STAR	124,442.50	10/12/2015	Utopia Jewellery Ltd.
	21/10/2015	201551410	LEO SCHACHTER DIAMONDS	56,000.00	18/01/2016	Utopia Jewellery Ltd.
	26/08/2014	E/0826/14-15	Laxmi Diamonds	155,739.42	25/11/2014	Utopia Jewellery Ltd.

APPENDIX "V"

From: Carla Eisnor <Carla.Eisnor@jsnjewellery.com>
Sent: June-08-16 2:54 PM
To: Naveed Manzoor; Joseph Shilon
Cc: Daniel Sobel
Subject: RE: Utopia and Global
Attachments: CASH OUT FLOW.XLSX; Copy of GD Diamond Liability 06.06.2016.xlsx; Utopia Jewellery Diamond Liability 06.06.16.xlsx; MD Diamond Liability _NEW FORMAT (1).xlsx; MD Diamond Liability _NEW FORMAT (1) (2).xlsx; stone wearehouse balance 8 Jun 2016.pdf

Naveed

See comments and attachments.

The best item is the CF forecast.

Without certainty on timing and amount of funding I don't know how he can try to estimate when each order could be produced.

Have a look and then we can discuss.

Please also note that I had Joanne work with Lisa on the Customer Report to reconcile her data to what Lisa provided you, there was an error in the way a couple of the memo's were entered so that they do not appear on the finance reports – no change to the values except that they are not in the summary Joanne prepares. Lisa has corrected and Joanne will provide an updated summary.

Carla

From: Naveed Manzoor [<mailto:naveed@faanadvisors.com>]
Sent: June-07-16 11:51 PM
To: Joseph Shilon
Cc: Carla Eisnor; Daniel Sobel
Subject: Utopia and Global

Hi Joseph

Further to our discussion this evening, please have Sam arrange for the following which will assist in understanding the use of the funds being sent from JSN as well as the expected receipts of product:

-current production schedule (by purchase order) next 3 months along with expected completion and delivery dates – he could not provide.

-costs required to complete each purchase order (adjusted for materials already on hand) – he could not provide order by order

-projected diamond liability for the next three months – he can only comment based on current orders the pay downs are included in the projected requirements. The liability will increase by the value of the goods on hand not invoiced (stone warehouse listing). In addition he has indicated that US\$1.4 of diamonds need to be purchased for the current open orders above what is on hand plus US\$ 13,000 of components.

-projected gold liability for the next three months – he can only comment based on current orders. To get the orders due by July he requires 10 kilo pure gold, plus 1 kilo silver and 400gr platinum.

-current inventory list (raw materials and finished goods) – per Sam no finished goods listing as finished goods are shipped. I have requested all inventory reports for tonight. Requests to Utopia need to be very specific

-projected cash requirements/ cash flow for Utopia operations for 3 months based on current order book - see attached

-current accounts payable listings for all of utopia, global and my diamond private – note that we provide this every week for UJ and Global which you were I believe copied on. These reports are sent to me each Monday. I have attached this weeks here – including the one for My Diamond which we have not previously been asked to provide. I have asked UJ to provide the details behind their other local accounts payable as they have not provided non diamond liabilities in the past – this would include their local AP trade as well as post dated cheques.

Global would not maintain an AP listing as they do not have a book keeper – they just track the diamond invoices which is what makes up the GD Diamond Liability listing (attached). Otherwise their operating expenses are primarily salary, interest and rent and shipping.

Regards,

Naveed

APPENDIX "W"



UTOPIA JEWELLERY LTD.

60-71 MOO 13 SUKSAWAD RD., BANGPUNG PRAPRADAENG, SAMUTPRAKARN 10130 THAILAND.

TEL: +66 2 818 0606 FAX: + 66 2 818 0601 Email: info@utopia-jewellery.com

INVOICE

Invoice No.: EX0139/16

Invoice Date: June 3, 2016

Shipper:

Utopia Jewellery Ltd.
60-71 Moo 13 Suksawad Rd.,
Bangpung, Prapradaeng,
Samutprakarn 10130 Thailand.
Tel: 662-818-0606
Fax: 662-818-0601

Ship To:

J.S.N. Jewellery UK Ltd
Unit 10, Building 2
Canonbury Yard
190A New North Road
Islington London N1 7BJ
Tel: 001/44/207/359-2223

C/O

Edinburgh Assay Office
Unit C , Tamian Way
Hounslow , Middlesex
TW4 6BL

Quantity		Description	KT	gram	Dia Wt
1	Pcs	Rings	Silver	2.38 g.	- cts.
28	Prs	Earrings	9K	16.47 g.	6.95 cts.
16	Pcs	Rings	9K	43.72 g.	7.34 cts.
60	Pcs	Pendants	9K	54.36 g.	7.54 cts.
19	Prs	Earrings	18K	26.91 g.	4.53 cts.
66	Pcs	Rings	18K	172.83 g.	17.78 cts.
18	Pcs	Pendants	18K	7.02 g.	1.84 cts.
34	Pcs	Rings	Platinum	143.07 g.	14.52 cts.
242				466.76 g.	60.50 cts.

Total diamonds used 60.50 cts.

Insurance & Shipping Charge (USD) 329.27

Amount Due Total CIF (USD) 37,110.00

Net Wt: 478.86 g.

Total Parcel: 2

APPENDIX "X"

1. J5N funding payment to Utopia

General Ledger Entry

Posting Date	Document Type	Document No.	G/L Account No.	G/L Description	Description	Amount	Bal. Account Type	Bal. Account No.	User ID	Entry No.
29/07/2016	Payment	5621102724	10020	R8C US\$ Bank Account	Utopia Jewellery Ltd.	-45,209.50	Vendor	V0627	ATORINA AUDISHO	857652
29/07/2016	Payment	5621102724	21011	J5N A/P Subledger - Utopia Jewellery Ltd.	Utopia Jewellery Ltd.	45,209.50	Bank Account	B1002	ATORINA AUDISHO	857653

Bank Entry

Posting Date	Document Type	Document No.	Bank Account No.	Description	Amount	Open	Entry No.
29/07/2016	Payment	5621102724	B1002	Utopia Jewellery Ltd.	-35,000.00	No	857652

Vendor Entry

Posting Date	Entry Type	Document No.	Document Typ	Document No.	Vendor No.	Currency Code	Amount	Amount (\$)	Initial Entry Due D	Entry No.
29/07/2016	Initial Entry	Payment	5621102724	5621102724	V0627 - Utopia Jewellery	USD	35,000.00	45,209.50	29/07/2016	176029

2. Inventory sent to Utopia paid by JSN

General Ledger Entry									
Posting Date	Document Type	Document No	G/L Account No.	G/L Description	Description	Amount	Additional-Currency Amount	Bal. Account Type	Bal. Account No. User ID Entry No.
30/06/2016	Invoice	137326	50011	Cost of Goods - Courier/Delivery	Invoice 19570	210.21	-	G/L Account	ATORINA AUDISHC 854213
30/06/2016	Invoice	137326	50005	Cost of Goods - Other	Invoice 19570	61,269.41	-	G/L Account	ATORINA AUDISHC 854214
30/06/2016	Invoice	137326	21020	JSN A/P Subledger USS Trade	Invoice 19570	(61,479.62)	-	G/L Account	ATORINA AUDISHC 854215
Vendor Entry									
Posting Date	Entry Type	Document Type	Document No.	Vendor No.	Currency Code	Amount	Amount (\$)	Initial Entry Due D	Entry No.
30/06/2016	Initial Entry	Invoice	137326	V0801 - The Argen Group	USD	(47,595.90)	(61,479.62)	30/06/2016	174858

3. Goods received from Utopia

General Ledger Entry											
Posting Date	Document Type	Document No.	G/L Account No.	G/L Description	Description	Amount	Additional-Currency Amount	8al. Account Type	8al. Account No.	User ID	Entry No.
28/06/2016	Invoice	137388	50010	Cost of Goods - Utopia	Invoice 19614	4,496.73	0	G/L Account		ATORINA AUDISHC	855039
28/06/2016	Invoice	137388	21011	JSN A/P Subledger - Utopia	Invoice 19614	-4,496.73	0	G/L Account		ATORINA AUDISHC	855040
Vendor Entry											
Posting Date	Entry Type	Document Type	Document No.	Vendor No.	Currency Code	Amount (\$)	Initial Entry Due D	Entry No.			
28/06/2016	Initial Entry	Invoice	137388	V0627 - Utopia Jewellery	USD	-3,430.00	-4,496.73	28/07/2016	175582		

ation Request 9-20-16

Document No. G/L Account No. 201605-047 50010 Cost of Goods - Utopia May 2016 Adj to Utopia G/L Description 21011 JSN A/P Subledger - Utopia May 2016 Adj to Utopia Amount 1,546,783.35 Additional-Currency Amount Bal. Account Type Bal. Account No. 0 Vendor V0627 50010 User ID ATORINA AUDISHC Entry No. 849592

Document Typ Document No. 201605-047 Vendor No. V0627 - Utopia Jewellery Currency Code USD Amount -1,179,850.00 Initial Entry Due D Entry No. 31/05/2016 174433

SALE REPORT YEAR 2016

Inv.No.	Customer Name	Amount (USD)	Exchange Rate	Amount (Balt)
16	EX0107/16 CANADA-J.S.N JEWELLER	140,900.00	34.6677	4,884,678.95
16	EX0108/16 CANADA-J.S.N JEWELLER	98,760.00	34.5975	3,416,888.60
16	EX0111/16 CANADA-J.S.N JEWELLER	231,610.00	34.8357	8,068,236.48
16	EX0115/16 CANADA-J.S.N JEWELLER	170,590.00	34.9761	5,980,563.34
16	EX0116/16 CANADA-J.S.N JEWELLER	158,110.00	34.9761	5,530,071.17
16	EX0120/16 CANADA-J.S.N JEWELLER	232,030.00	34.9870	8,118,033.61
16	EX0123/16 CANADA-J.S.N JEWELLER	199,170.00	35.1135	6,999,555.80
16	EX0126/16 CANADA-J.S.N JEWELLER	103,640.00	35.3349	3,662,109.04
16	EX0129/16 CANADA-J.S.N JEWELLER	158,070.00	35.4704	5,606,806.13
16	EX0132/16 CANADA-J.S.N JEWELLER	4,000.00	35.4704	141,881.60
16	EX0137/16 CANADA-J.S.N JEWELLER	73,960.00	35.3648	2,615,580.61
		1,571,240.00		

Posting Date	Document Type	External Document	Original Amount	Difference
03/05/2016	Invoice	EX0107/16	-35,180.00	105,720.00
04/05/2016	Invoice	EX0108/16	-24,640.00	74,120.00
06/05/2016	Invoice	EX0111/16	-57,830.00	173,780.00
11/05/2016	Invoice	EX0115/16	-82,180.00	246,920.00
13/05/2016	Invoice	EX0120/16	-57,550.00	174,480.00
18/05/2016	Invoice	EX0123/16	-49,750.00	149,420.00
19/05/2016	Invoice	EX0126/16	-25,860.00	77,760.00
25/05/2016	Invoice	EX0129/16	-39,930.00	122,140.00
27/05/2016	Invoice	EX0132/16	-18,450.00	55,510.00
			-391,390.00	1,179,850.00

APPENDIX "Y"

From: Gila Shilon <Gila@jsnjewellery.com>
Sent: March-09-16 12:00 PM
To: Sushil Kumar; Mam (designer)
Cc: Miri Shilon; Victor Jamgotchian
Subject: New designs-Rush for catalog
Attachments: Gila2.pdf

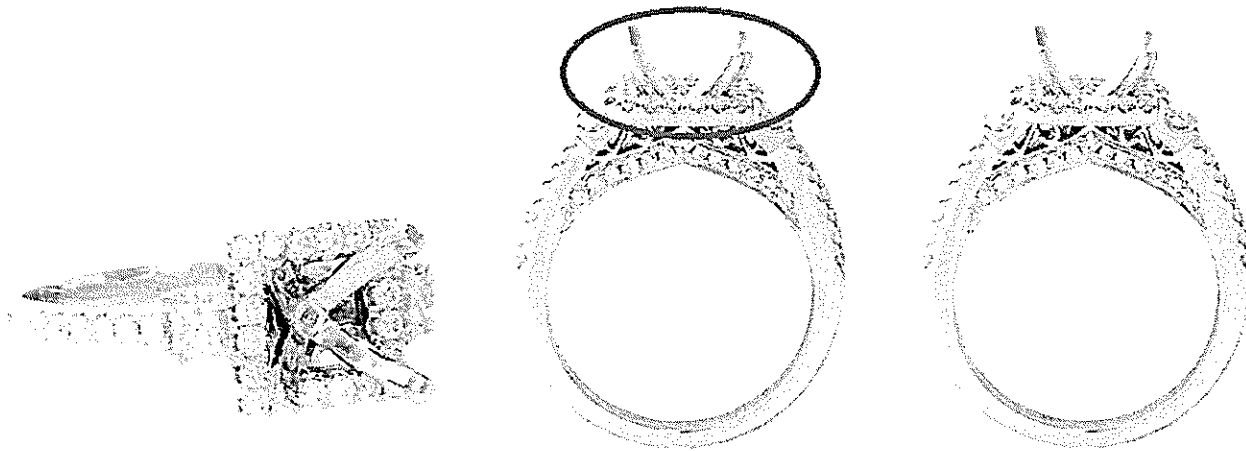
Importance: High

Hi Sushil/Mam,

Please see attached instructions. Please email me as soon as possible with revised designs as per attached notes. Re-design centre claws as the original model in the picture below. Ignore the side diamond V design. We would like a nicer, tucked in, delicate side view.

Thank you,
Gila

CPD8371R



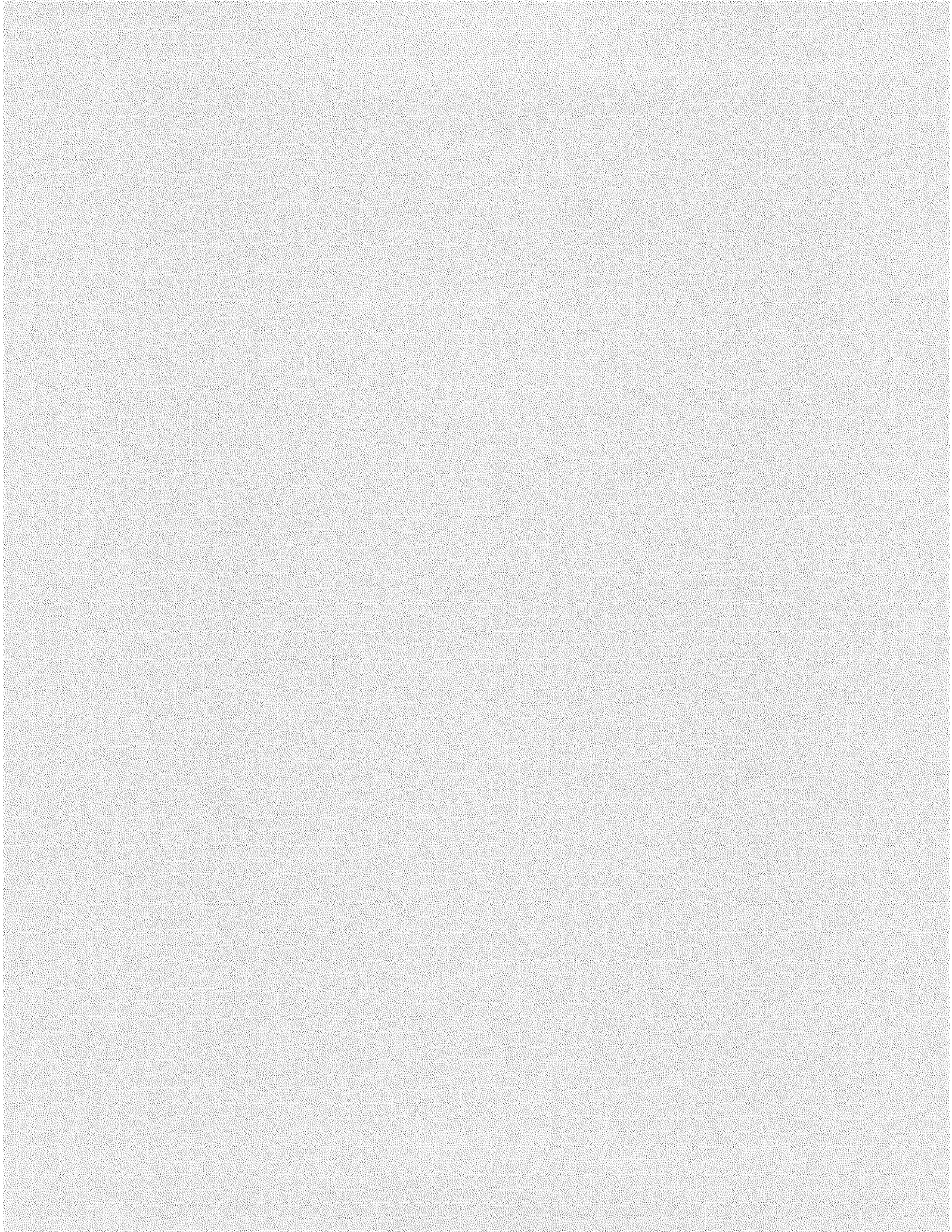
Approval Form

Sketch

TOTAL WEIGHT OF METAL :

Remarks and Comments :

Production	Design	Technical	President
<i>[Signature]</i> 14/11/16		<i>[Signature]</i> 16	



From: Gila Shilon <Gila@jsnjewellery.com>
Sent: March-14-16 2:58 PM
To: 'Kunnikar Thongdee'
Cc: Sushil Kumar; Victor Jamgotchian; Mona Chi; Thayika Uthai; Boonyarat Ketijumroon; Miri Shilon
Subject: New designs;catalog
Attachments: New Designs 2016-03-14.pdf
Importance: High

Hi Sushil/Mam,

In addition to sending more variety in design drawings, please incorporate the notes I've attached in more detailed outlines.

Thank you,
Gila

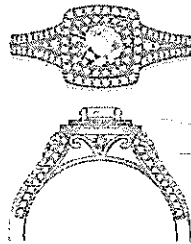
By MAM
M1603008R.
Form #1, 2/1/14

RING



DIA. / 0.40 x 1 = 0.40 ct.
P.W.D. DIA. / 0.004 x 20 = 0.08 ct.
DIA. / 0.005 x 40 = 0.20 ct.
DIA. / 0.0035 x 40 = 0.141 ct.
DIA. / 0.010 x 2 = 0.02 ct.
= 0.841 ct. total

- email CAD
- 14 kt, try for
under 4gms



CLOSE UP VIEW

Can you make
this look like
our 9388, but
this design

11-15-16

By MAM
M1603007R.
11/02/18

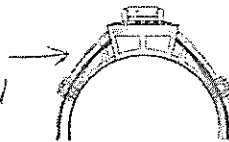
RING



$\text{DIA. } 0.50 \times 1 = 0.50 \text{ ct.}$
 $\text{DIA. } 0.0125 \times 12 = 0.025 \text{ ct.}$
 $\text{DIA. } 0.005 \times 24 = 0.12 \text{ ct.}$
 $\text{DIA. } 0.0045 \times 18 = 0.081 \text{ ct.}$
 $\text{DIA. } 0.0035 \times 14 = 0.049 \text{ ct.}$
 $= 0.73 \text{ ct. ca}$



Shoulders
to be lowered



close up view

reduce 25% in size compared
to centre

- try for under
4gms in 14kt

- Do not set CTR diamond
low

11/02/18

By MAM

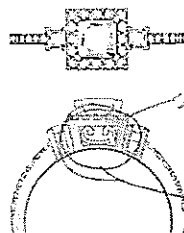
M1603010R.

11/12/2012

RING



DIA 1/8" x 0.50 x 1 = 0.50 ct.
DIA 1/8" x 0.50 x 2 = 1.00 ct.
DIA 1/8" x 1.5 = 0.15 ct.
DIA 1/8" x 1.5 = 0.15 ct.
= 0.00 ct. or



*Re-do!

11/12/12

By MAM

M1603006R.

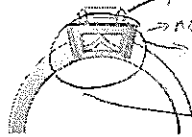
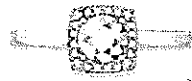
1.0000000000000000

RING



→ Different Design

DR 10.0% x 1 = 0.0000
DR 10.0000 x 4 = 0.0004 cl
DR 10.0000 x 10 = 0.0000
= 0.0004 cl. tw.



close up view

→ taller claws, like M1603010R
→ not so thick a chunky
→ different design

→ Re-do!

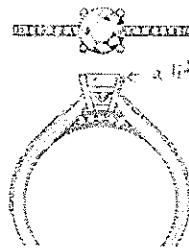
10/03/12

By MAM
M1603005R.
TEL. FROM 2541

RING



DIA. 1.50 x 11 = 0.50 ct.
DIA. 1.50 x 12 = 0.187 ct.
DIA. 1.50 x 13 = 0.055 ct.
= 0.742 ct. total

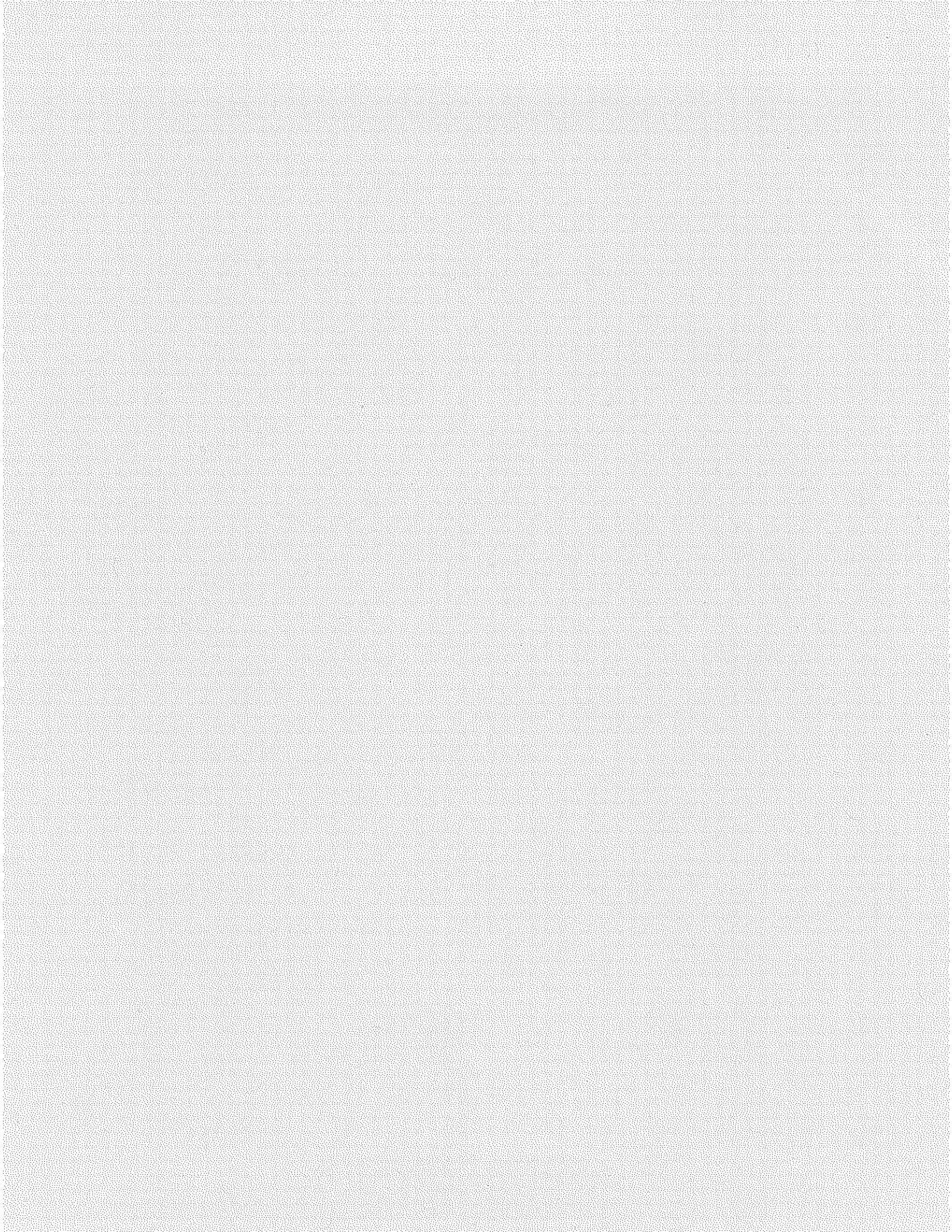


a little bit taller

→ top. for up to 3 grams
in 14kt

Close up view

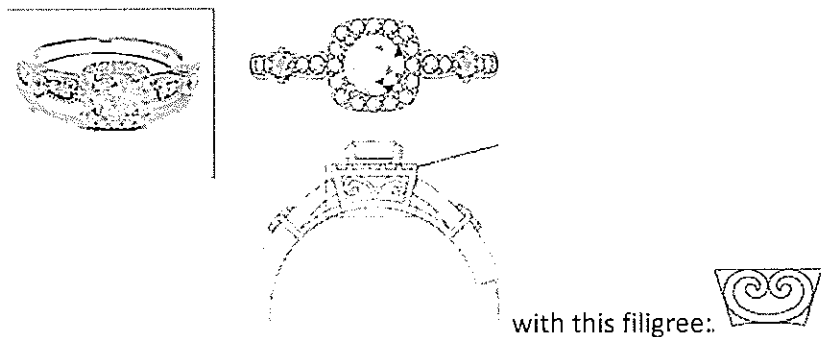
100 511



From: Gila Shilon <Gila@jsnjewellery.com>
Sent: March-17-16 11:25 AM
To: 'Kunnikar Thongdee'
Cc: Sushil Kumar; Miri Shilon; Victor Jamgotchian; Mona Chi; Boonyarat Ketijumroon; Thayika Uthai
Subject: RE: FW: CPD8383R

Hi Sushil,

For some reason, the whole top view of this style was redesigned in today's email... I requested only the profile view to be redesigned... we're wasting too much time going back and forth with this, so I'll make simple; keep original model; raise only centre indicated in red by 1-2mm and change centre design to scroll filigree below... please send CAD as soon as you can. Thank you, Gila



From: Kunnikar Thongdee [<mailto:kunnikar.t@utopia-jewellery.com>]
Sent: Thursday, March 17, 2016 2:14 AM
To: Gila Shilon
Cc: Sushil Kumar; Miri Shilon; Victor Jamgotchian; Mona Chi; Boonyarat Ketijumroon; Thayika Uthai
Subject: Re: FW: CPD8383R

Hi Gila,

Please see development for style CPD8383R in 2 versions in the attachment



Your comment from last e-mail : M1603012R **Reduce shoulder height by 20-25% for a slimmer look**Remove accent in the center profile... neither of the new drawings work (too busy). (Please let me know if you have any questions)

Best Regards,
May

On 15 March 2016 at 16:01, Kunnikar Thongdee <kunnikar.t@utopia-jewellery.com> wrote:
Dear Gila,

As per your comment :

- Part 1 : Mr.Sushil will adjust on the CAD and he will send you the revise CAD.
- Part 2 : Sketch of modification for style CPD8383R are in the attachment.

Best Regards,
May

On 10 March 2016 at 10:19, Sushil Kumar <sushilkumar@utopia-jewellery.com> wrote:

----- Forwarded message -----

From: **Gila Shilon** <Gila@jsnjewellery.com>

Date: Thu, Mar 10, 2016 at 12:02 AM

Subject: FW: CPD8383R

To: "Sushil Kumar (sushilkumar@utopia-jewellery.com)" <sushilkumar@utopia-jewellery.com>, "Mam (designer) (mam@utopia-jewellery.com)" <mam@utopia-jewellery.com>

Cc: "Victor Jamgotchian (victor@utopia-jewellery.com)" <victor@utopia-jewellery.com>, Miri Shilon <Miri@jsnjewellery.com>

Hi Sushil/Mam,

The customer likes the top view of this model, but not the side view. The whole centre design needs to be raised. The rest of the instructions are in the attachment. We need new design options as soon as possible because it's going into the new catalog.

Thank you.

Gila

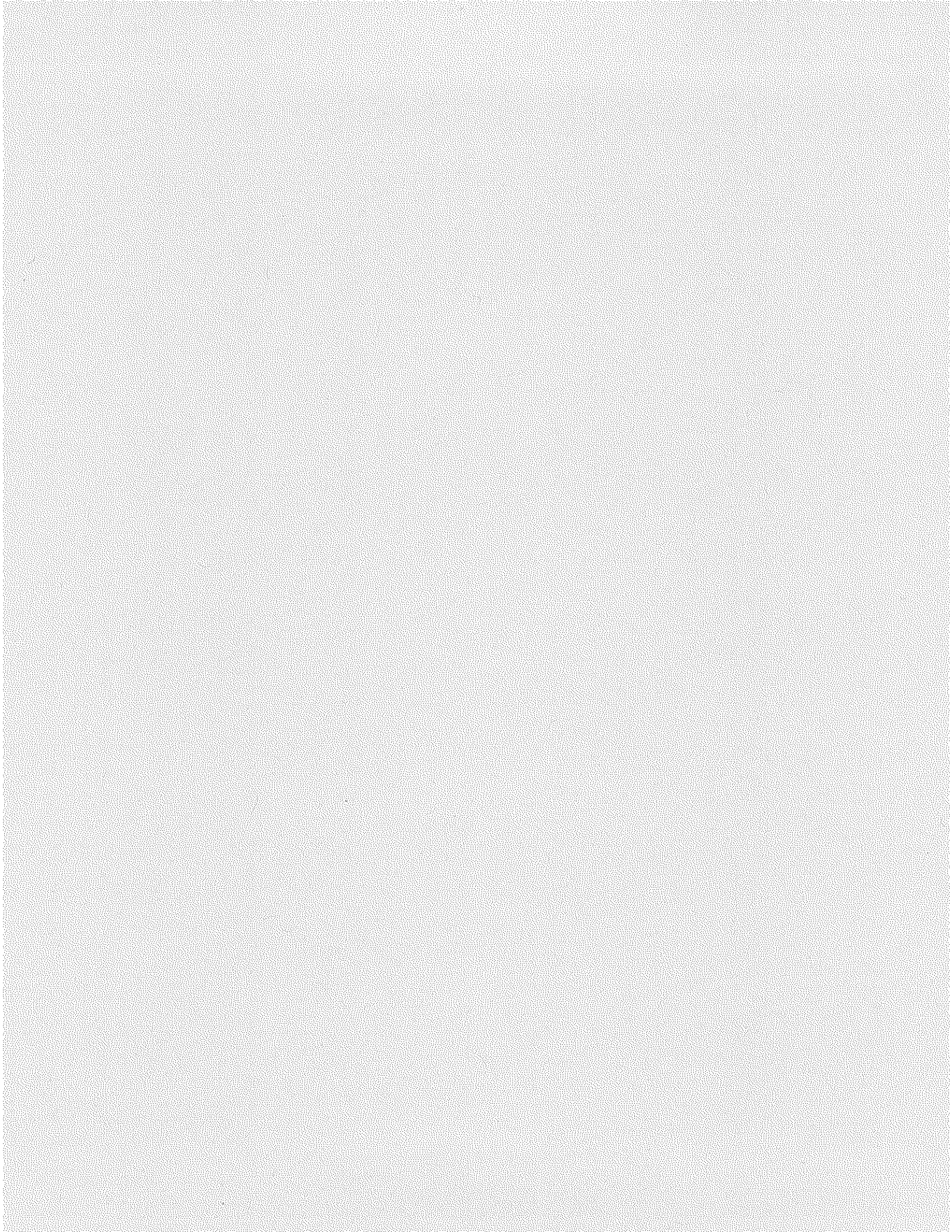
--

With Best Regards,

Sushil Kumar
PD Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapadaeng,
Samutprakarn, 10130
Bangkok, Thailand

Office: +66-2-818 0606

Fax: +66-2-818 0601



From: gila@jsnjewellery.com
Sent: May-19-16 7:15 AM
To: Kunnikar Thongdee
Cc: Sushil Kumar; Victor Jamgotchian; Pornthip Bachuenjai; Thayika Uthai; Mona Chi; Boonyarat Ketijumroon; Nittaya Meeoudon
Subject: Re: style 10855

Thanks May.

Sent from my Samsung device

----- Original message -----

From: Kunnikar Thongdee <kunnikar.t@utopia-jewellery.com>
Date: 2016-05-18 11:12 PM (GMT-05:00)
To: Gila Shilon <Gila@jsnjewellery.com>
Cc: Sushil Kumar <SUSHILKUMAR@utopia-jewellery.com>, Victor Jamgotchian <victor@utopia-jewellery.com>, Pornthip Bachuenjai <pornthip.b@utopia-jewellery.com>, Thayika Uthai <thayika@utopia-jewellery.com>, Mona Chi <silvamomo@gmail.com>, Boonyarat Ketijumroon <gaew@utopia-jewellery.com>, Nittaya Meeoudon <nittaya@utopia-jewellery.com>
Subject: Re: style 10855

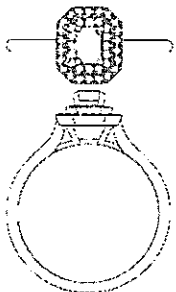
Hi Gila,

I forgot to inform you that for EMC version split shank will make at CAD already informed Sushil's department

Best Regards,
May

On 19 May 2016 at 09:11, Kunnikar Thongdee <kunnikar.t@utopia-jewellery.com> wrote:
Hi Gila,

3. Emerald Cut Version Center : PS 0.37 cts. (Removed X off)



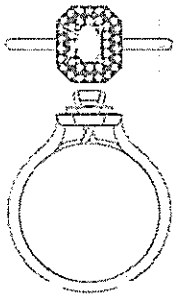
Best Regards,
May

On 18 May 2016 at 20:54, Gila Shilon <Gila@jsnjewellery.com> wrote:

Hi Sushil,

I forgot to mention to send me CAD's first before you go ahead with the models. Please make sure the height of the centre from the bottom to the tip of the claw is at the **very least 6.50mm**.

3. Emerald Cut Version Center : EMC 0.37 cts. **Re-design to split shank and remove 'X' in profile.**
Keep original design.



From: Kunnikar Thongdee [<mailto:kunnikar.t@utopia-jewellery.com>]

Sent: Wednesday, May 18, 2016 6:00 AM

To: Gila Shilon

Cc: Sushil Kumar; Victor Jamgotchian; Pornthip Bachuenjai; Thayika Uthai; Mona Chi; Boonyarat Ketijumroon; Nittaya Meeoudon

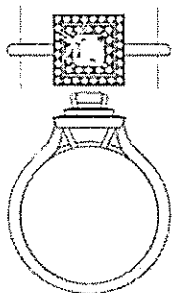
Subject: Re: style 10855

Dear Gila,

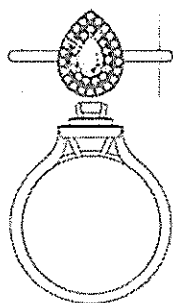
Please see Sketch designs from your requirement as below e-mail

M1603015R- need this plus make send me drawings of this model with square 0.37PC CENTRE, PS .37 CTR, and EMC .37 CTR (with a split shank for the EMC).

1. Square Version Center : PC 0.37 cts.



2. Pear shape Version Center : PS 0.37 cts.



Best Regards,

May

On 17 May 2016 at 14:01, Nittaya Meeoudon <nittaya@utopia-jewellery.com> wrote:

----- Forwarded message -----

From: **Sushil Kumar** <sushilkumar@utopia-jewellery.com>

Date: Mon, May 16, 2016 at 4:56 PM

Subject: Fwd: style 10855

To: Nittaya Meeoudon <Nittaya@utopia-jewellery.com>

Nueng,

print this email and give me data sheet and model we have received this before from Gila to Revise .

URGENT ..

thanks,

Sushil

----- Forwarded message -----

From: **Gila Shilon** <Gila@jsnjewellery.com>

Date: Fri, May 13, 2016 at 10:20 PM

Subject: RE: style 10855

To: Sushil Kumar <sushilkumar@utopia-jewellery.com>

Cc: Victor Jamgotchian <victor@utopia-jewellery.com>

Hi Sushil,

I'm emailing you a complete list of all the styles I've asked for revisions for in the past couple of months that I have not received yet and would like as soon as possible. If you have additional questions regarding revisions, please let me know.

CPD8545R-deeper milgrain + raise head

CPD8388R-adjust centre claws to be taller and raise whole shank/head as per picture emailed a while back

CPD8388WB-need WB

CPD8740R-gold weight less than 8gm in 14kt. Shoulder grooves design straight not angled. Make taller centre diamond setting.

10968.70-emailed CAD, gave instructions on the email-shoulder sides needs to be reduced A LOT MORE. The cad designers are not following instructions properly...

CPD8383R-

CPD8371R- Make sure it's a two piece cast*the centre 4-claw to be the 2nd cast as in the image I'd scanned to you multiple times.

CPD7525R-I gave a go ahead March 18th ...what's taking so long?

10986.90-sides are too fanned out still in CAD design. Make narrower, I scanned the CAD with the instructions and no one sent me the revised CAD.

M1603015R- need this plus make send me drawings of this model with square 0.37PC CENTRE, PS .37 CTR, and EMC .37 CTR (with a split shank for the EMC).

CPD8726R-3rd version

11026-CPD8640R- lighter version. 10kt to be less than 4.80 grams

10634-beef up the milgraing and most importantly make the metal of the halo even-the corners and all the lines all around are not diametrical.

Cpd8546R-V-shape centre claws and raise whole centre.

CPD8550R- adjust whole centre to be taller. It's too flat on the finger and flush with the shank.

Cpd8526R-.03ctr

CPD6680r-10992- remake whole model to look exactly like original sketch design with new CPD-need CAD

7260E-new version, needs new CPD

CPD6343E-I emailed many notes with the scan of the CAD I was sent. Please see all my notes and re-email revised CAD.

CPD8722R- 0.15/0.25/0.50

***I am aware that you may not be able to finish all within 2 weeks, however please try as many as you can. Please send me the Samples with the CPD's. Do not send them with Mona directly to the show. We need to approve them here before we send it to the show. We don't want customers choosing models that we have not approved of and given style numbers to. Steve can take the approved Samples with assigned style numbers to the show.

Thank you,

Gila

From: Sushil Kumar [mailto:sushilkumar@utopia-jewellery.com]

Sent: Thursday, May 12, 2016 11:37 PM

To: Gila Shilon

Cc: Victor Jamgotchian

Subject: Re: style 10855

Hi Gila,

Please send us asap what is need to be adjusted we will try our best to send it for Vegas .

thanks,

Sushil

On Thu, May 12, 2016 at 8:06 PM, Gila Shilon <Gila@jsnjewellery.com> wrote:

Yes, please wait; there may be a bunch of new adjustments for FJ. I should have a complete list within 2 weeks. I will let you know

By the way, are all my new modifications for all the styles I've requested coming in soon? I need them for the Vegas show that's coming up shortly. Please let me know if I can receive them all within 2 weeks' time.

Thanks,

Gila

From: Sushil Kumar [mailto:sushilkumar@utopia-jewellery.com]

Sent: Thursday, May 12, 2016 4:06 AM

To: Gila Shilon

Cc: Victor Jamgotchian

Subject: Re: style 10855

Hi Gila,

So we keep the same and waiting your confirmation .

thanks,

Sushil

On Tue, May 10, 2016 at 5:51 PM, Gila Shilon <Gila@jsnjewellery.com> wrote:

Thanks Victor, don't go ahead yet, I may have a few more requests for FJ, I will let you know all in one shot all the styles we'd like adjustments for.

From: Victor Jamgotchian [<mailto:victor@utopia-jewellery.com>]

Sent: Monday, May 9, 2016 11:36 PM

To: Gila Shilon

Cc: Sushil Kumar (sushilkumar@utopia-jewellery.com)

Subject: Re: style 10855

Hi Gila,

Is better if we adjust the model, only claws

On Tue, May 10, 2016 at 1:42 AM, Gila Shilon <Gila@jsnjewellery.com> wrote:

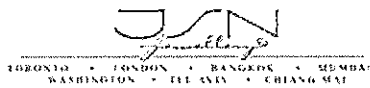
Hi Victor/ Sushil,

Style 10855 takes .03's. Is it possible to set 0.025 without making adjustments to the model?

Thanks,

Gila

JSN Jewellery Inc.



P: 905-660-3277 Ext. 230

F: 905-660-0803

E: gila@jsnjewellery.com



This message (including attachments, if any) is confidential, may be privileged and is intended for the above-named recipient(s) only. If you are not the intended recipient of this message please notify me by return email and delete this message from your system. Any unauthorized use or disclosure of this message is strictly prohibited

--

With Best Regards,

Victor Jamgotchian
Plant Manager

--

With Best Regards,

Sushil Kumar
PD Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Bangkok, Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601

--

With Best Regards,

Sushil Kumar
PD Department Manager

*Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Bangkok, Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601*

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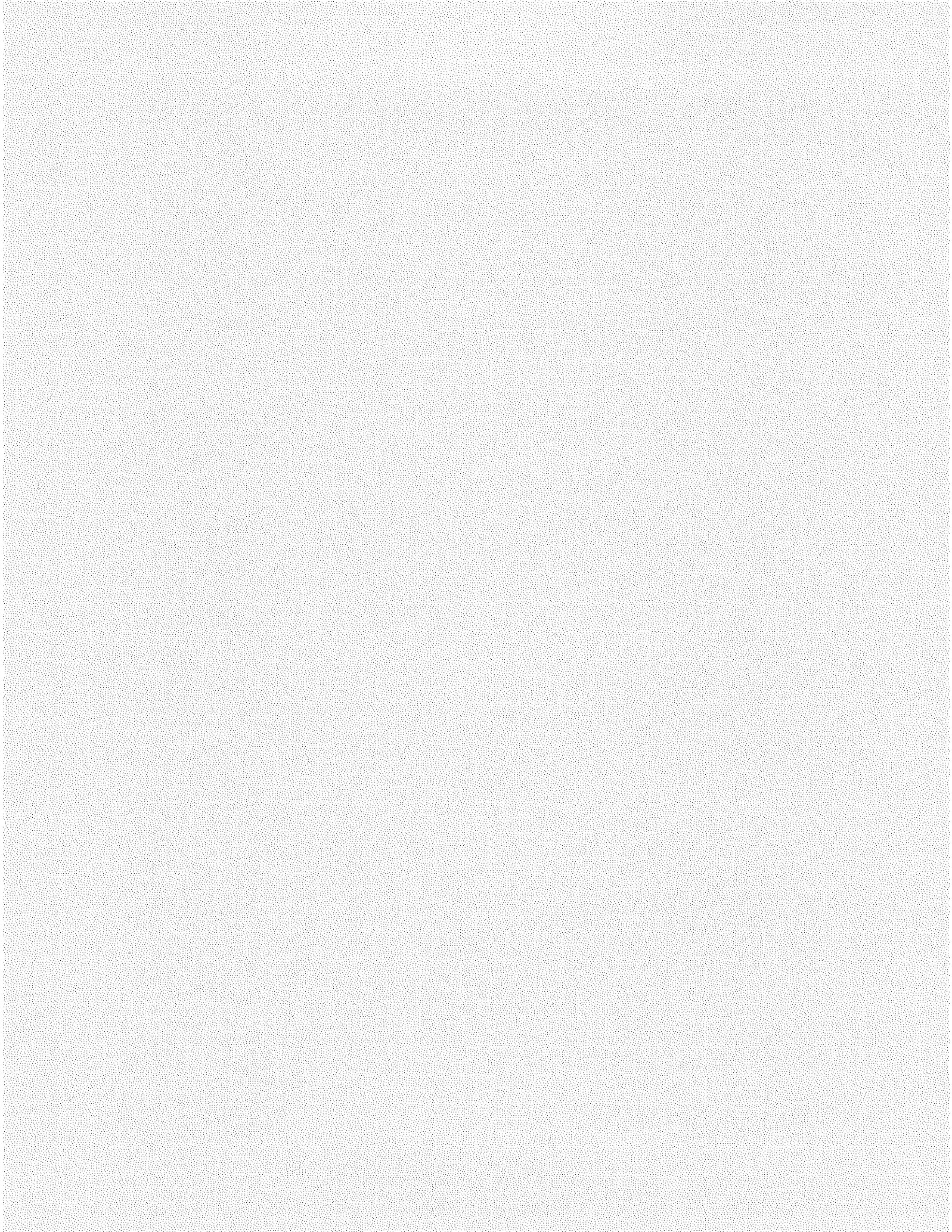
With Best Regards,

Sushil Kumar
*PD Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Bangkok, Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601*

--

With Best Regards.

Nueng / Nittaya Meeoudorn
Product Development Department



From: Miri Shilon <Miri@jsnjewellery.com>
Sent: August-18-16 12:29 PM
To: daniel@faanadvisors.com
Subject: FW: FW: Revisions for Vegas: CPD8670 & CPD8774

From: Sushil Kumar [sushilkumar@utopia-jewellery.com]
Sent: Wednesday, May 25, 2016 12:01 AM
To: Gila Shilon
Cc: Victor Jamgotchian (victor@utopia-jewellery.com); Nittaya Meeoudon (nittaya@utopia-jewellery.com); Model Utopia (model@utopia-jewellery.com); Mona Chi; Steve Reale; Miri Shilon
Subject: Re: FW: Revisions for Vegas: CPD8670 & CPD8774

Hi Gila,

Ok noted , we will proceed with the model and sample .

Thanks,

Sushil

On Wed, May 25, 2016 at 12:09 AM, Gila Shilon <Gila@jsnjewellery.com> wrote:

Hi Sushil,

Please disregard this email. I made an error. Keep it as a cushion. The reason I thought the below, is because of the recent anniversary cushion sample rings that came in for Rogers (the stones are not available). So it's simply, no cushions for anniversaries because cut and shape are not consistent. I'm sorry for the confusion and mix-up.

Thanks,

Gila

From: Gila Shilon
Sent: Tuesday, May 24, 2016 8:52 AM
To: 'Sushil Kumar'
Cc: Victor Jamgotchian (victor@utopia-jewellery.com); Nittaya Meeoudon (nittaya@utopia-jewellery.com); Model Utopia (model@utopia-jewellery.com); Mona Chi; Steve Reale; Miri Shilon
Subject: RE: FW: Revisions for Vegas: CPD8670 & CPD8774

Hi Sushil,

This looks good! Please change the centre to an RBC or PC (I'll leave that to you to decide what would look better on this model), and we're good to go. Let's try to avoid cushion diamonds, since they're not all that easy to purchase in terms of reliable shape and cut for large quantity orders. When customers see them in our samples they want to order them, then we have to tell them that they're not available, doesn't look great for us. If Sam tells us otherwise, we should avoid the shape altogether.

Thank you,

Gila

From: Sushil Kumar [<mailto:sushilkumar@utopia-jewellery.com>]

Sent: Monday, May 23, 2016 6:56 AM

To: Gila Shilon

Cc: Victor Jamgotchian (victor@utopia-jewellery.com); Nittaya Meeoudon (nittaya@utopia-jewellery.com); Model Utopia (model@utopia-jewellery.com); Mona Chi; Steve Reale; Miri Shilon

Subject: Re: FW: Revisions for Vegas: CPD8670 & CPD8774

Hi Gila,

please find the revised CAD for CPD7724R , please check and confirm us back .

thanks,

Sushil

On Wed, May 18, 2016 at 8:45 PM, Gila Shilon <Gila@jsnjewellery.com> wrote:

Hi Sushil,

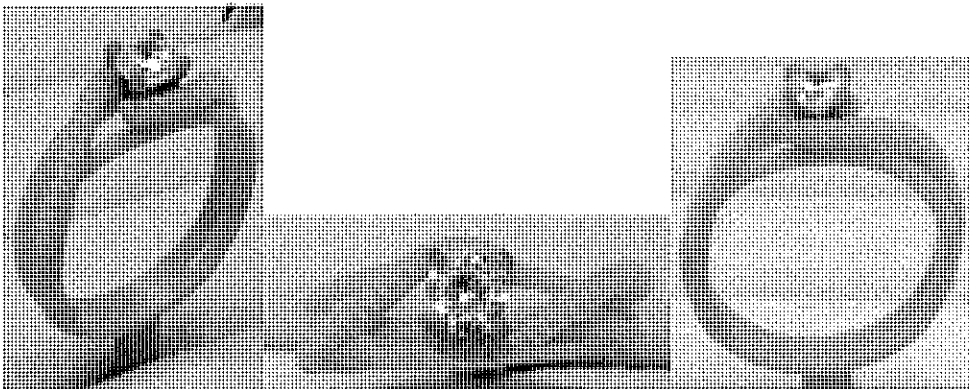
1)The below is style number 10588.50, RH wanted the centre 'lifted' for this as well, so I had a wax mocked up here to show you how they wanted it raised. Use these images as an indication of how to revise model CPD8774R. You have to keep the whole shank as the original 10106 and just add a 2nd piece cast centre (please make sure that it's a 4 prong that can accommodate US variances). Do not have the prongs disturbing the design of the shank. Please re-send me the revised CAD, the one attached is exactly like the sample that we received for RH and is not approved by Joseph.

2)I need a revised CAD for CPD8740R as well; the design in the shank has gotten lost... where are the grooves like the original? I instructed as per Joseph to keep the groove lines straight and not on an angle, now they've disappeared completely. In addition the centre diamond basket is very unattractive and bulky, please have it redesigned. And keep the setting high.

3)CPD7724R; the shoulders are still too wide. we need the shoulders narrowed down more. As well the height of the centre is too low. Please make sure that the height from the base of the centre to the top is at least 6mm in height.

4)CPD8759R; who is this for? I don't see a record of my request for this... In any case, the dimensions look acceptable to me; however make sure that the centre is set high.

10588.50-use as a guide for cpd8774r



Thanks,

Gila

From: Sushil Kumar [<mailto:sushilkumar@utopia-jewellery.com>]

Sent: Wednesday, May 18, 2016 7:13 AM

To: Gila Shilon

Cc: Victor Jamgotchian (victor@utopia-jewellery.com); Steve Reale; Mona Chi

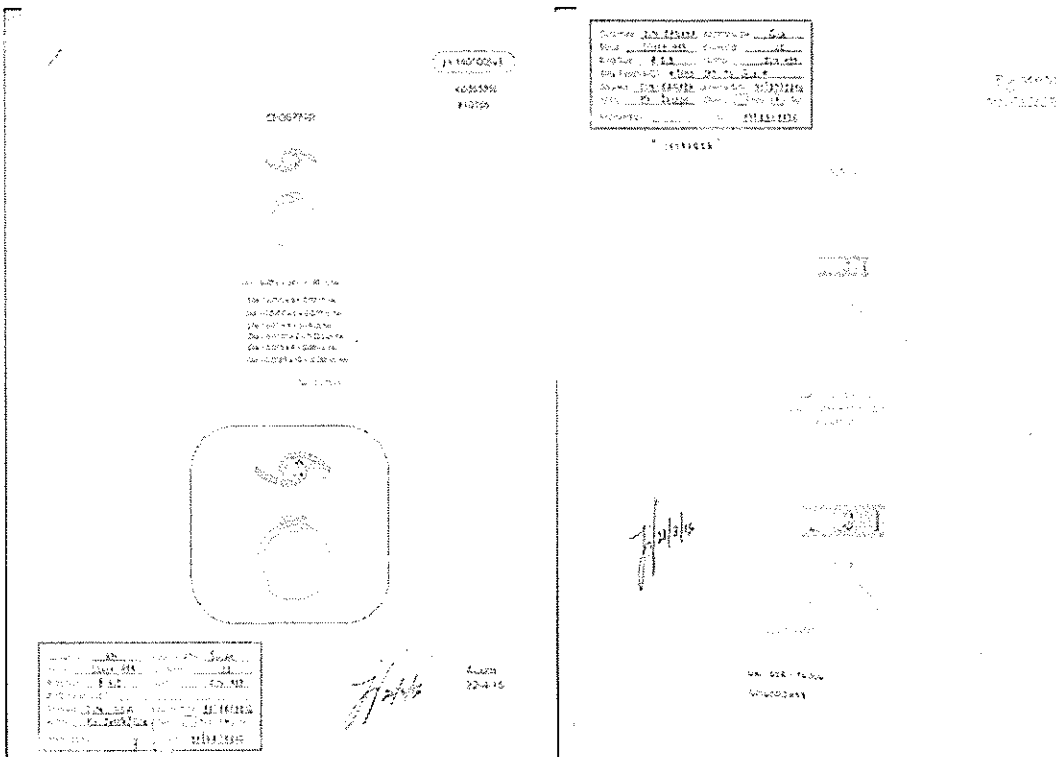
Subject: Re: Revisions for Vegas: CPD8670 & CPD8774

Hi Gila,

Please find the attached word file 4 Cad revised as per comments . please Check and confirm us.

thanks,

Sushil



On Fri, May 13, 2016 at 11:38 PM, Gila Shilon <Gila@jsnjewellery.com> wrote:

Hi Sushil,

1)For CPD8670R revise it with a 0.70RBC centre. As well remove all visible rose gold accents on top of the model, needs to be redesigned to keep the profile accents, leave profile design as is. Also raise the whole head and whole basket, it's too low, try to make the basket narrower as well, it's too fat. Please make sure ALL engagement ring models have a HIGH/TALL head/setting. Every sample coming through seems to look squashed down...

2)For CPD8774R revise model completely to have a total height of 7mm from the bottom of the head to the top. Do not keep the centre claws as is. As per Joseph make this a 2pc cast, the centre claws being the 2nd cast (see below image). We don't want the pave diamond circular design to have a claws sticking out of it, finish it off smoothly. The below images are for indications for the 2nd piece casting for the centre stone.

Please send Toronto the new revised samples for approval asap before Vegas show. Please let me know if you have any questions.

Thank you,

Gila



JSN Jewellery Inc.



P: 905-660-3277 Ext. 230

F: 905-660-0803

E: gila@jsnjewellery.com



This message (including attachments, if any) is confidential, may be privileged and is intended for the above-named recipient(s) only. If you are not the intended recipient of this message please notify me by return email and delete this message from your system. Any unauthorized use or disclosure of this message is strictly prohibited

--

With Best Regards,

Sushil Kumar

*PD Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Bangkok, Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601*

--

With Best Regards,

Sushil Kumar

*PD Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Bangkok, Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601*

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With Best Regards,

Sushil Kumar

PD Department Manager

Utopia Jewellery Ltd

60-71 Moo 13 Suksawad Rd,

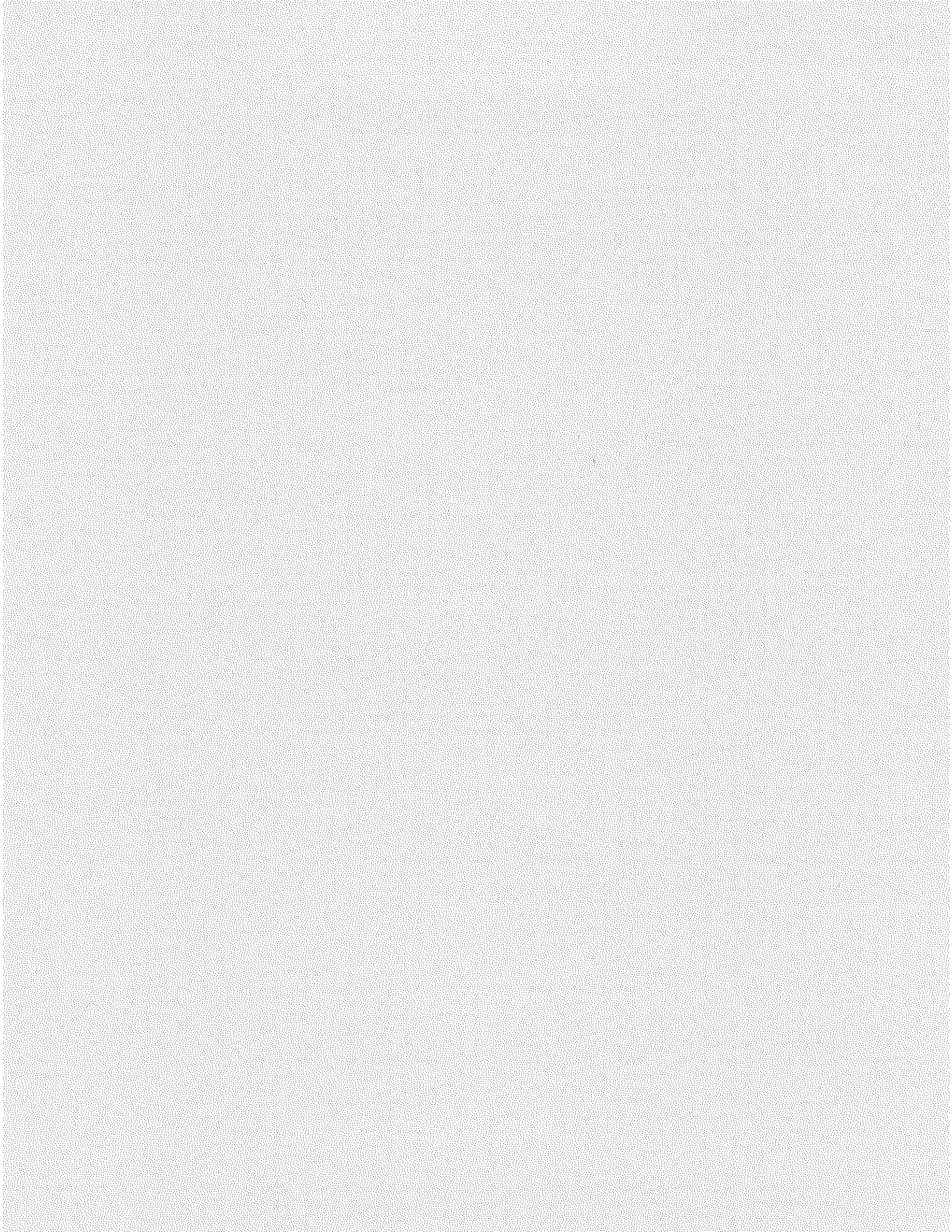
Bangpung, Prapadaeng,

Samutprakarn, 10130

Bangkok, Thailand

Office: +66-2-818 0606

Fax: +66-2-818 0601



From: Sushil Kumar <sushilkumar@utopia-jewellery.com>
Sent: May-25-16 5:42 AM
To: Gila Shilon
Cc: Nittaya Meeoudon
Subject: REg: Cpd8740R
Attachments: CPD8740R.pdf

Hi Gila,

please see the attached page and confirm us , I am a bit confused what needs to be straight not angeled in this design . Also regarding the center diamond collet we did as per the design original do you need us to change it to V shape claws instead of keeping it straight .

--

With Best Regards,

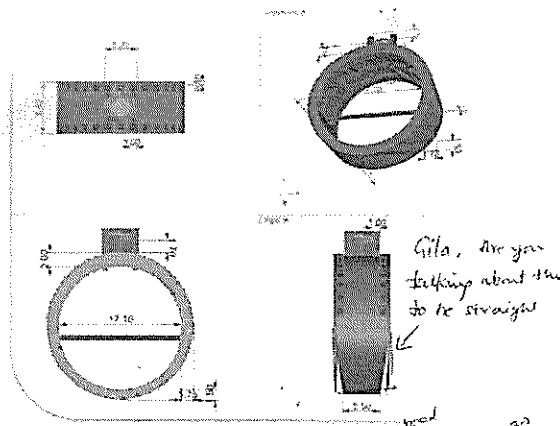
Sushil Kumar
PD Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Bangkok, Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601

CAD Dimension Sheet

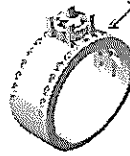
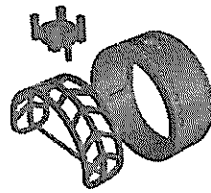
Design Number: CPD57409-Revide

Done By: Sak N

Date: 17-05-16



Views of Design



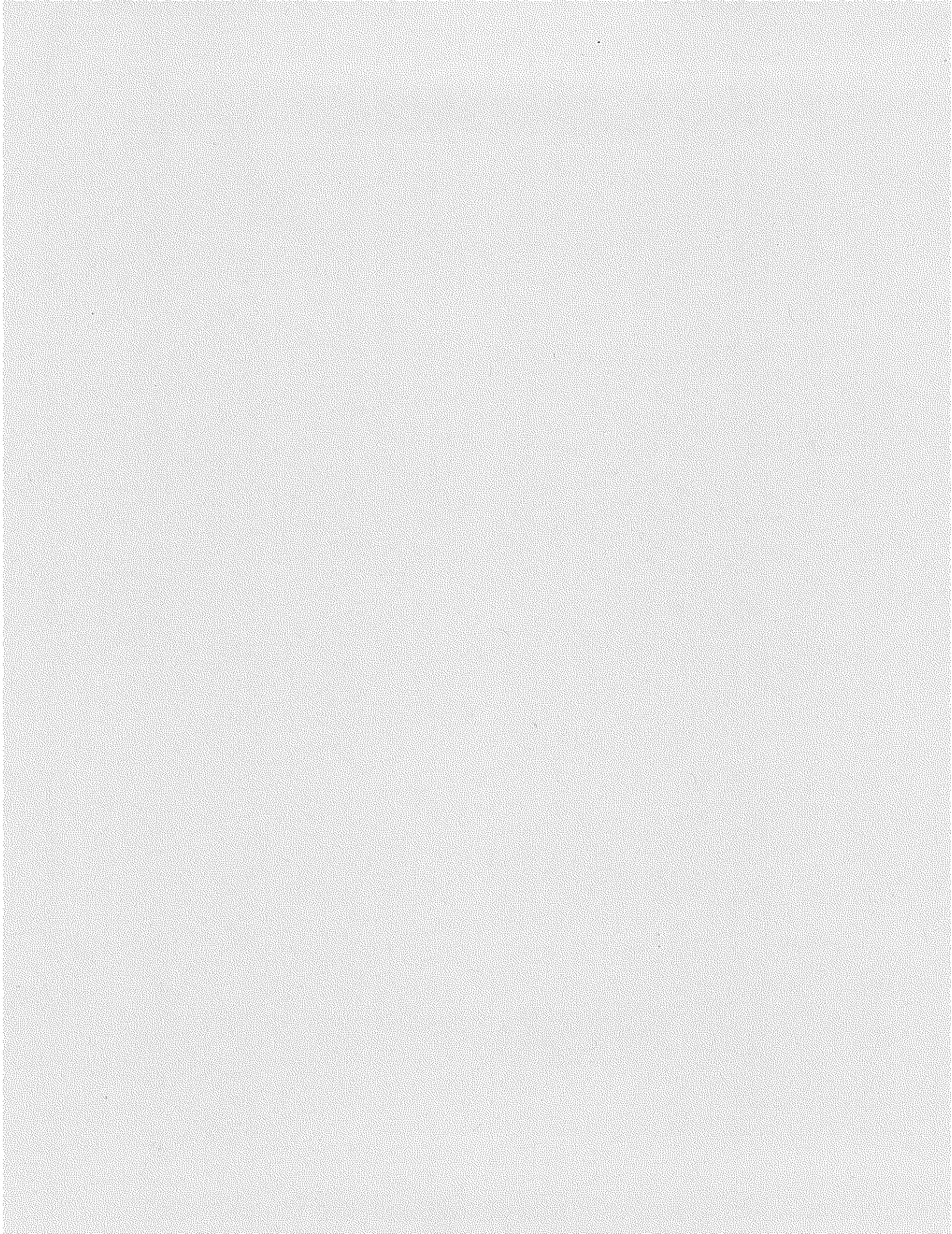
I mis understood before, I make this give straight which was angled.



Ø1.00±0.02

Tw : 0.636ct.

Silver : 8.0 g.



From: Miri Shilon <Miri@jsnjewellery.com>
Sent: August-18-16 12:29 PM
To: daniel@faanadvisors.com
Subject: FW: Reg Cad revised

From: Gila Shilon
Sent: Tuesday, May 31, 2016 12:34 PM
To: 'Sushil Kumar'
Cc: Victor Jamgotchian; Nittaya Meeoudon; Kunnikar Thongdee; Mona Chi; Justyna Okunowicz; Mona Chi; Miri Shilon
Subject: RE: Reg Cad revised

Hi Sushil,
Yes, please go ahead.

Thanks,
Gila

From: Sushil Kumar [<mailto:sushilkumar@utopia-jewellery.com>]
Sent: Tuesday, May 31, 2016 12:45 AM
To: Gila Shilon
Cc: Victor Jamgotchian; Nittaya Meeoudon; Kunnikar Thongdee; Mona Chi; Justyna Okunowicz; Mona Chi; Miri Shilon
Subject: Re: Reg Cad revised

Hi Gila,

please see the revised cad for Cpd8783R keeping the side profile and not visible from Top view . please Check and confirm us .

thanks,
Sushil

On Fri, May 27, 2016 at 5:53 AM, Gila Shilon <Gila@jsnjewellery.com> wrote:
Hi Sushil,

1)CPD6343E- Please put on hold. We're not achieving the style, gold weight or diamond weight. We'll revisit this model at a future date.

2)CPD8388R-What is the diamond breakdown, same as original? And are the gaps on top shoulders the same as original?

3)CPD8782R-Please put on hold. The CAD doesn't look anything like the sketch. We'll revisit this model at a future date.

4)CPD8783R-What is the diamond breakdown? Can we redesign the ring so that we can keep the accent scroll down the profile shoulder? Only the centre accent was kept on the CAD. Joseph likes the whole profile, however not showing the accent at the top of the shoulders, can MAM redesign this? The below were my original instructions:

1)For CPD8670R revise it with a 0.70RBC centre. As well remove all visible rose gold accents on top of the model, needs to be redesigned to keep the profile accents, leave profile design as is. Also raise the whole head and whole basket, it's too low, try to make the basket narrower as well, it's too fat. Please make sure ALL engagement ring models have a HIGH/TALL head/setting. Every sample coming through seems to look squashed down...

Thank you,
Gila

From: Sushil Kumar [mailto:sushilkumar@utopia-jewellery.com]

Sent: Wednesday, May 25, 2016 5:03 AM

To: Gila Shilon

Cc: Victor Jamgotchian; Nittaya Meeoudon; Kunnikar Thongdee; Mona Chi; Justyna Okunowicz

Subject: Reg: Reg Cad revised

Hi Gila,

please see the revised cad for below.

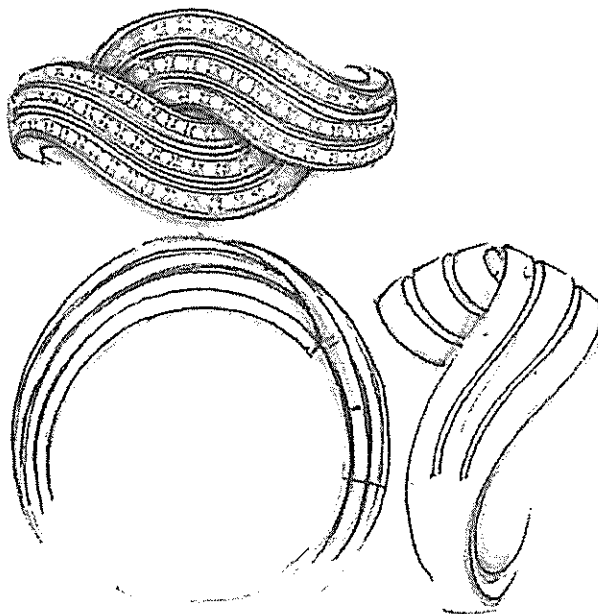
1)CPD6343E 2) cpd8388R 3) Cpd8782R 4) Cpd8783R

For the earring Cpd6343E has black diamond do you need to make same like design .

Cpd8782R : top and side view Sketch is not matching we did first model as per top view that may be the reason it didnt came out like design we now going as per side view in 2nd version please see the design near to cad file , if you have any comments draw and show us .

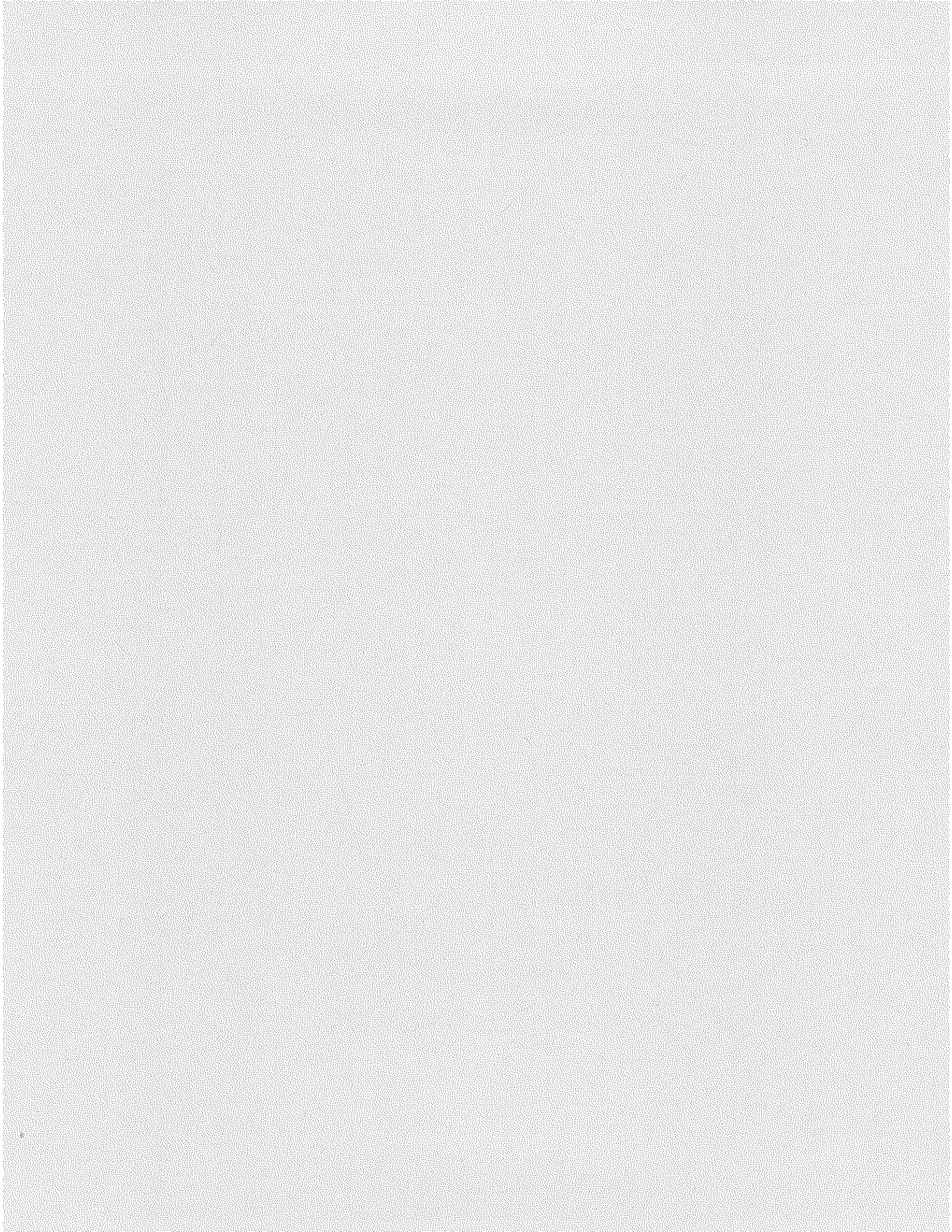
Attached email with comments also Please check and confirm us to proceed with model and samples .

--

[illegible]

--
With Best Regards,

Sushil Kumar
PD Department Manager
Utopia Jewellery Ltd
60-71 Moo 13 Suksawad Rd,
Bangpung, Prapradaeng,
Samutprakarn, 10130
Bangkok, Thailand
Office: +66-2-818 0606
Fax: +66-2-818 0601



From: Miri Shilon <Miri@jsnjewellery.com>
Sent: August-18-16 12:28 PM
To: daniel@faanadvisors.com
Subject: FW: Design matching wedding band 11075 or CPD8553R

From: Kunnikar Thongdee [kunnikar.t@utopia-jewellery.com]
Sent: Thursday, June 09, 2016 6:45 AM
To: Gila Shilon
Cc: Sushil Kumar; Mona Chi; Boonyarat Ketijumroon; Nittaya Meeoudon; Model Utopia; Thayika Uthai; Miri Shilon
Subject: Re: Design matching wedding band 11075 or CPD8553R

Dear Gila,

Ok, we will do as your requirement.

Best Regards,
May

On 9 June 2016 at 17:09, Gila Shilon <Gila@jsnjewellery.com> wrote:
This looks better, please go ahead.

Sushil, If you need to use diamonds a bit bigger, please use no higher than. 005's.
Thanks,
Gila

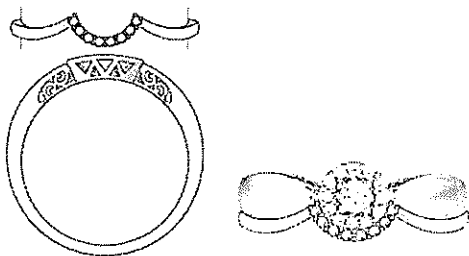
Sent from my Samsung device

----- Original message -----

From: Kunnikar Thongdee <kunnikar.t@utopia-jewellery.com>
Date: 2016-06-08 11:03 PM (GMT-05:00)
To: Gila Shilon <Gila@jsnjewellery.com>
Cc: Sushil Kumar <SUSHILKUMAR@utopia-jewellery.com>, Mona Chi <silvamomo@gmail.com>, Boonyarat Ketijumroon <gaew@utopia-jewellery.com>, Nittaya Meeoudon <nittaya@utopia-jewellery.com>, Model Utopia <model@utopia-jewellery.com>, Thayika Uthai <thayika@utopia-jewellery.com>, Miri Shilon <Miri@jsnjewellery.com>
Subject: Re: Design matching wedding band 11075 or CPD8553R

Dear Gila,

Please see re-sketch design again in the attachment



Best Regards,
May

On 8 June 2016 at 23:01, Gila Shilon <Gila@jsnjewellery.com> wrote:

Hi May,

Something is still off with this... let's try using smaller diamonds... 0.0035x8. The band is still too heavy looking for this engagement/promise ring.

Thanks,
Gila

----- Original message -----

From: Kunnikar Thongdee <kunnikar.t@utopia-jewellery.com>

Date: 2016-06-08 7:09 AM (GMT-05:00)

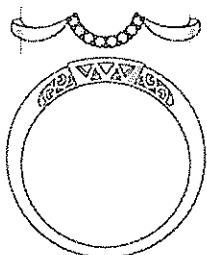
To: Gila Shilon <Gila@jsnjewellery.com>

Cc: Sushil Kumar <SUSHILKUMAR@utopia-jewellery.com>, Mona Chi <silvamomo@gmail.com>, Boonyarat Ketijumroon <gaew@utopia-jewellery.com>, Nittaya Meeoudon <nittaya@utopia-jewellery.com>, Model Utopia <model@utopia-jewellery.com>, Thayika Uthai <thayika@utopia-jewellery.com>

Subject: Re: Design matching wedding band 11075 or CPD8553R

Dear Gila,

Revised thin down shank, See in the attachment again.



Best Regards,
May

On 8 June 2016 at 17:37, Gila Shilon <Gila@jsnjewellery.com> wrote:

Hi May,

Please make the band smaller, less chunky, less gold, not so wide.

Thank you,

Gila

Sent from my Samsung device

----- Original message -----

From: Kunnikar Thongdee <kunnikar.t@utopia-jewellery.com>

Date: 2016-06-08 6:18 AM (GMT-05:00)

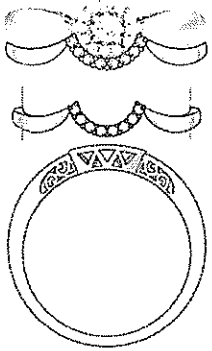
To: Gila Shilon <Gila@jsnjewellery.com>

Cc: Sushil Kumar <SUSHILKUMAR@utopia-jewellery.com>, Mona Chi <silvamomo@gmail.com>, Boonyarat Ketijumroon <gaew@utopia-jewellery.com>, Nittaya Meeoudon <nittaya@utopia-jewellery.com>, Model Utopia <model@utopia-jewellery.com>, Thayika Uthai <thayika@utopia-jewellery.com>

Subject: Design matching wedding band 11075 or CPD8553R

Dear Gila,

Please see design matching wedding band for style 11075 or CPD8553R as per your requirement on **New JSN Styles 2016-05-25 - Part 2** approved style number.



Best Regards,
May

APPENDIX "Z"

From: Sushil Kumar <sushilkumar@utopia-jewellery.com>
Sent: June-19-16 9:27 PM
To: joseph
Cc: Gila Shilon
Subject: Reg: Job Issue

Dear Joseph
/Gila
6-2016

Date: 20-

Hope you are fine and everything going well. I try calling you last week to talk about my work status in Utopia operator said you will call me and I didn't get any call from your side.

As per my Meeting with Sam on 2.6.2016 He told me situation of JSN not so good at present and advise me to start working as Sub contract for Utopia doing models and samples for JSN Customer. Since after that day I have been preparing to look a new office and I can hire old staff from Utopia to get the work done. I also mentioned If utopia is supporting me to Invest with some amount then will start a new Office to do Sub contract work and it will be under a Contract.

As per my Second meeting with Sam, on 16.6.2016 he told me that my Salary is been blocked he cant pay me from this month onward. Now since my job status in utopia jewelry is not clear. And I am not going to office for past 2 days also. I have not given any resignation for my position and Utopia jewelry not send any termination letter to my post or cancelled my Visa. He told me to wait till you come to BANGKOK and make meeting and then take a decision. I dont know how long it will go .

If the post is terminating please pay me the Compensation of 3 month salary which will be 21,000USD as per the Deal we did in 2012 in Utopia office. And clarify the Visa /work permit cancelation period so that I can prepare myself to do the Transfer of work in my own office Sb cadmakers in Silom which I can expand and in future with more staff to do service for JSN Canada.

The reason to write this email is because the meeting conclusion with Sam towards my post was not pleasant, Since I worked for utopia jewelry for last 10 years and you have understood me very well about work and Attitude. I do believe that with all respect you will take a decision soon which will be good for both of us.

--

With Best Regards,

Sushil Kumar

PD Department Manager

Utopia Jewellery Ltd

60-71 Moo 13 Suksawad Rd,

Bangpung, Prapradaeng,

Samutprakarn, 10130

Bangkok, Thailand

Office: +66-2-818 0606

Fax: +66-2-818 0601

APPENDIX "AA"

From: Miri Shilon <Miri@jsnjewellery.com>
Sent: August-18-16 12:22 PM
To: daniel@faanadvisors.com
Subject: FW: CPD8639R
Attachments: image.png; Model scan CPD8639R.pdf

From: Mona [silvamomo@gmail.com]
Sent: Tuesday, June 21, 2016 12:41 AM
To: Joseph Shilon; Miri Shilon
Subject: CPD8639R

Hi Joseph and Miri,

We are reviewing all the models to be done (since Sushil left) and wanted to confirm that this ring has to be made in different casting pieces (for the pink gold parts) and not a JACKET.

Please advise,

Thanks,

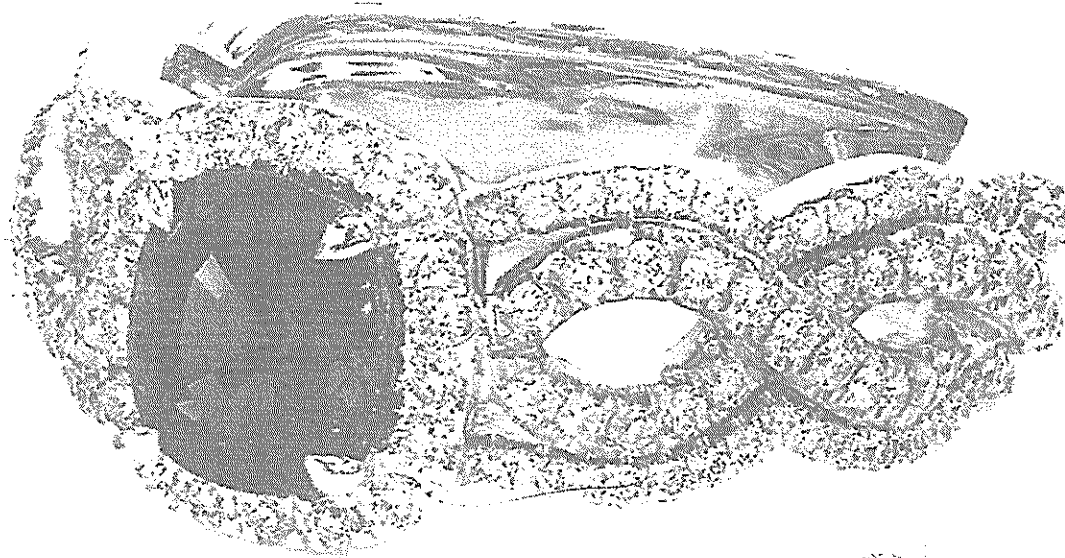
Mona

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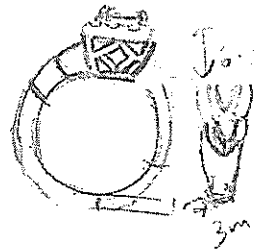


CPD8639R

New JSN Designs - Part 5 2016-01-25



3KR



LEVYS

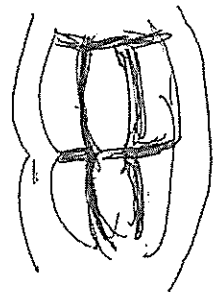
@LevysFJ

dia
eng ring

CAN - JSN - 16004

SO16000289

- So centre RBC (5.2)
but keep cushion halo



JF 27/1/16

Customer: <u>JSN-CANADA</u>	Approved by: <u>Miri</u>
Metal: <u>Silver 925</u>	Diamond: <u>CZ</u>
Ring Size: <u># 6.5</u>	Stamp: <u>JSN-925</u>
AVG. Finish WGT. _____	
Ship via: <u>JSN-CANADA</u> Delivery date: <u>04/03/2016</u>	
ATTN: <u>Mr. Joseph</u>	Chain: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Received by: _____	Date: <u>27/01/2016</u>

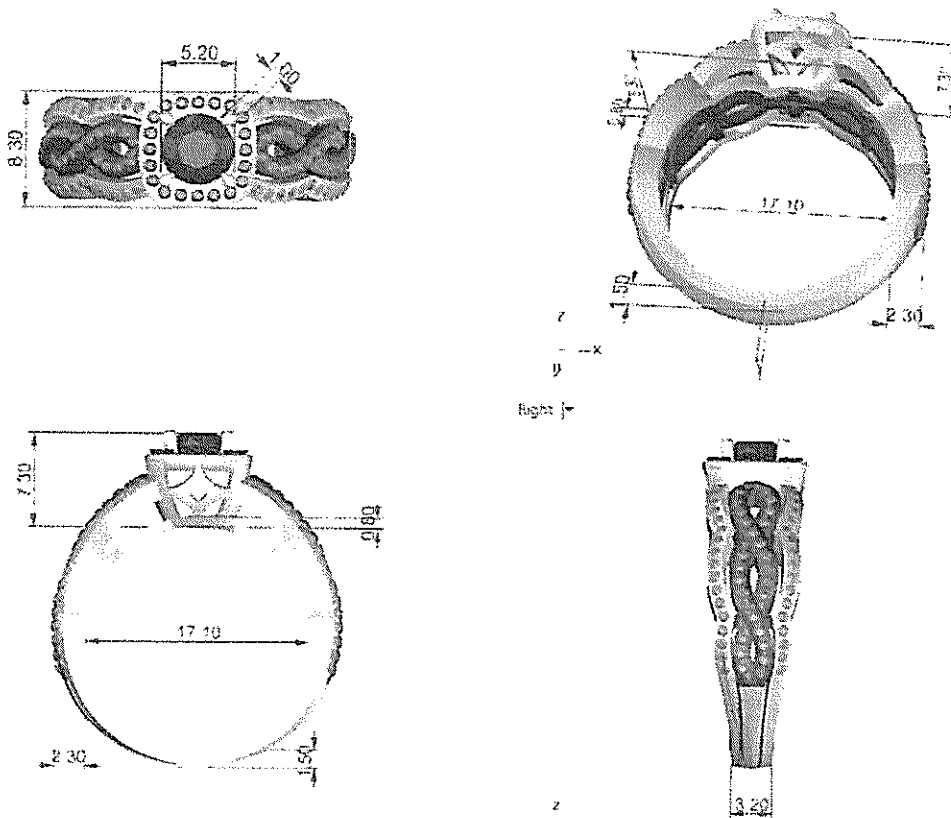
CAD Dimension Sheet

13 JUN 2016

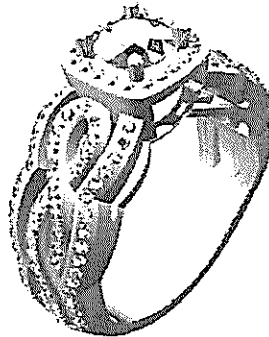
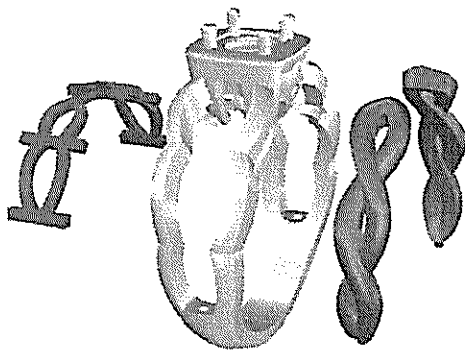
Design Number: CPD8639R

Done By : Sak.N

Date: 13-06-16



4 views of Design



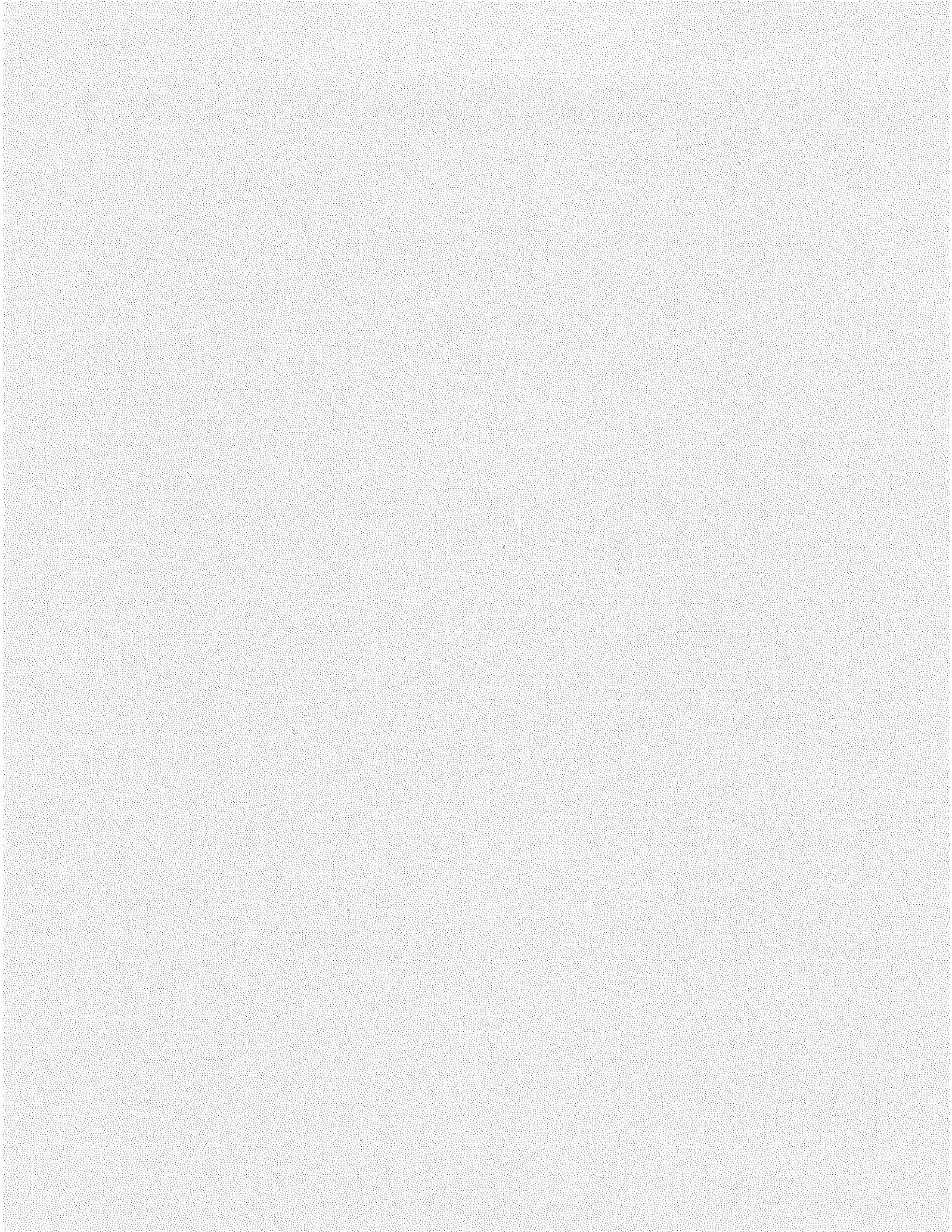
- $\varnothing 5.20 / 0.50 \times 1 = 0.50.$
- $\varnothing 1.00 / 0.005 \times 76 = 0.38.$
- $\varnothing 0.90 / 0.0035 \times 68 = 0.238.$

Tw : 1.11 ct.

Silver :7.0 g.

Comments adjustments

Handwritten signature
13/6/16



From: Miri Shilon <Miri@jsnjewellery.com>
Sent: August-18-16 12:21 PM
To: daniel@faanadvisors.com
Subject: FW: Help for clear define Khun Sushil's job / Model department

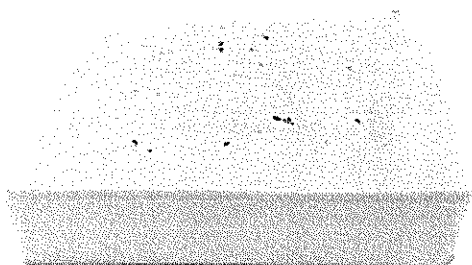
From: Kunnikar Thongdee [kunnikar.t@utopia-jewellery.com]
Sent: Thursday, June 23, 2016 4:25 AM
To: Rishi; Ronald Mendonca
Cc: Miri Shilon; Gila Shilon; Mona Chi; Victor Jamgotchian; Pornthip Bachuenjai; Anusorn Khumta; Boonyarat Ketijumroon; Model Utopia; Nittaya Meeoudon
Subject: Help for clear define Khun Sushil's job / Model department

Dear All,

Please help us to clear define Khun Sushil's job as below detail

1. Got rubber from someone to make new model as wax copy from the rubber in below picture, please advise us What shall we do?

Rubber and wax picture



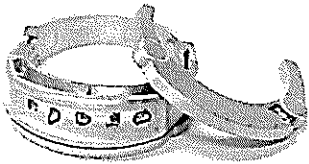
Sushil made new wax for model but look much thicker than the original one

2. CPD8960R this is copy gold from JSN-CANADA / Project number : CAN-JSN-14032 (2 years ago)
Do you still need it? please advise and see picture as below

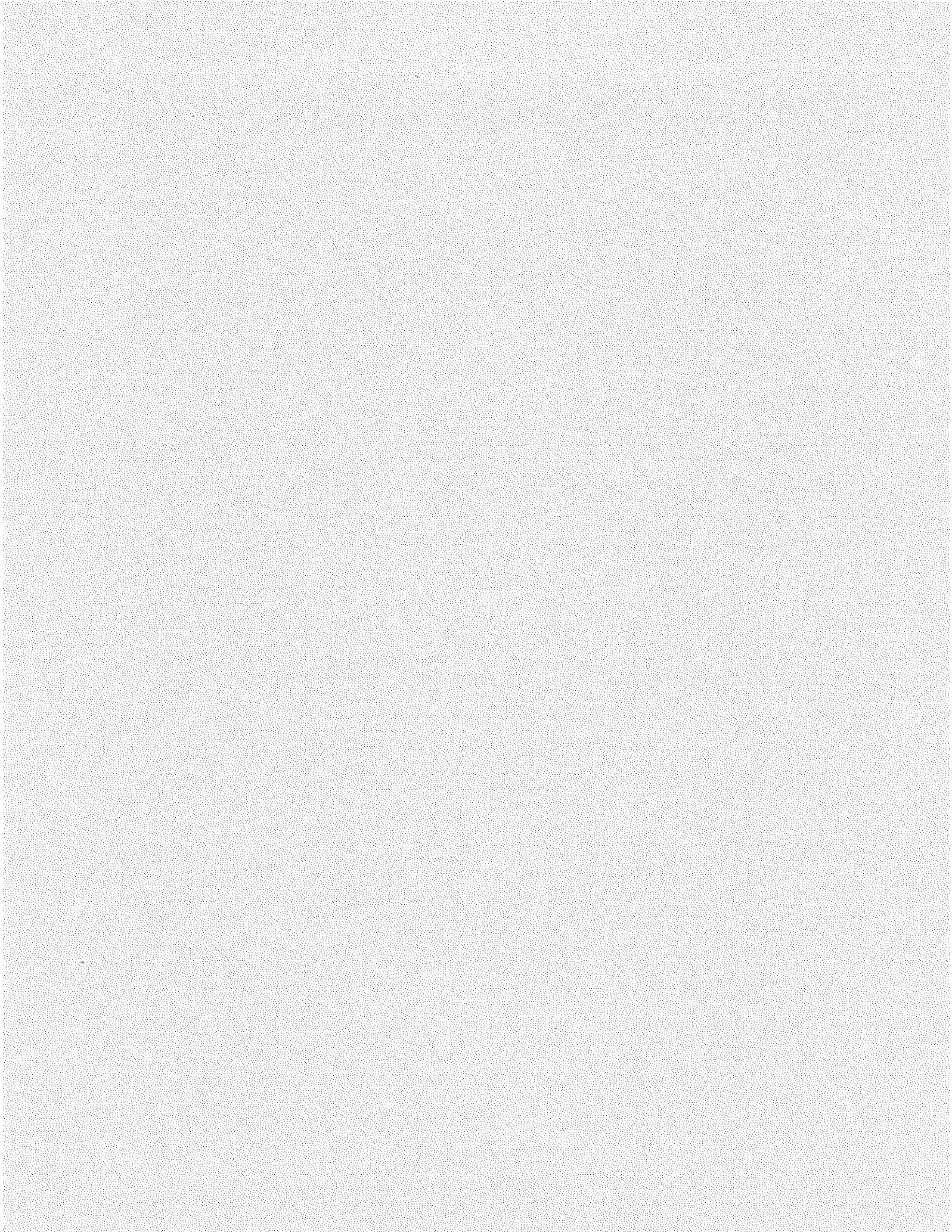


and one more thing, Who are the person that I have to return the sample back? please advise.

Model still holding, See picture as below



Thanks and Best Regards,
May



From: Miri Shilon <Miri@jsnjewellery.com>
Sent: August-18-16 12:20 PM
To: daniel@faanadvisors.com
Subject: FW: CPD8660R+W

From: Kunnikar Thongdee [kunnikar.t@utopia-jewellery.com]
Sent: Thursday, June 23, 2016 6:04 AM
To: Miri Shilon
Cc: Mona Chi; Anusorn Khumta; Boonyarat Ketijumroon; Victor Jamgotchian; Pornthip Bachuenjai; Model Utopia
Subject: CPD8660R+W

Dear Miri,

Please advise us back for wedding band matching style CPD8600R as below picture

Original model now with wedding band matching CPD8600R+W

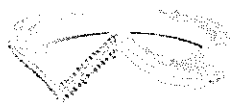


For wedding band bar at center / What shall we do? please advise.

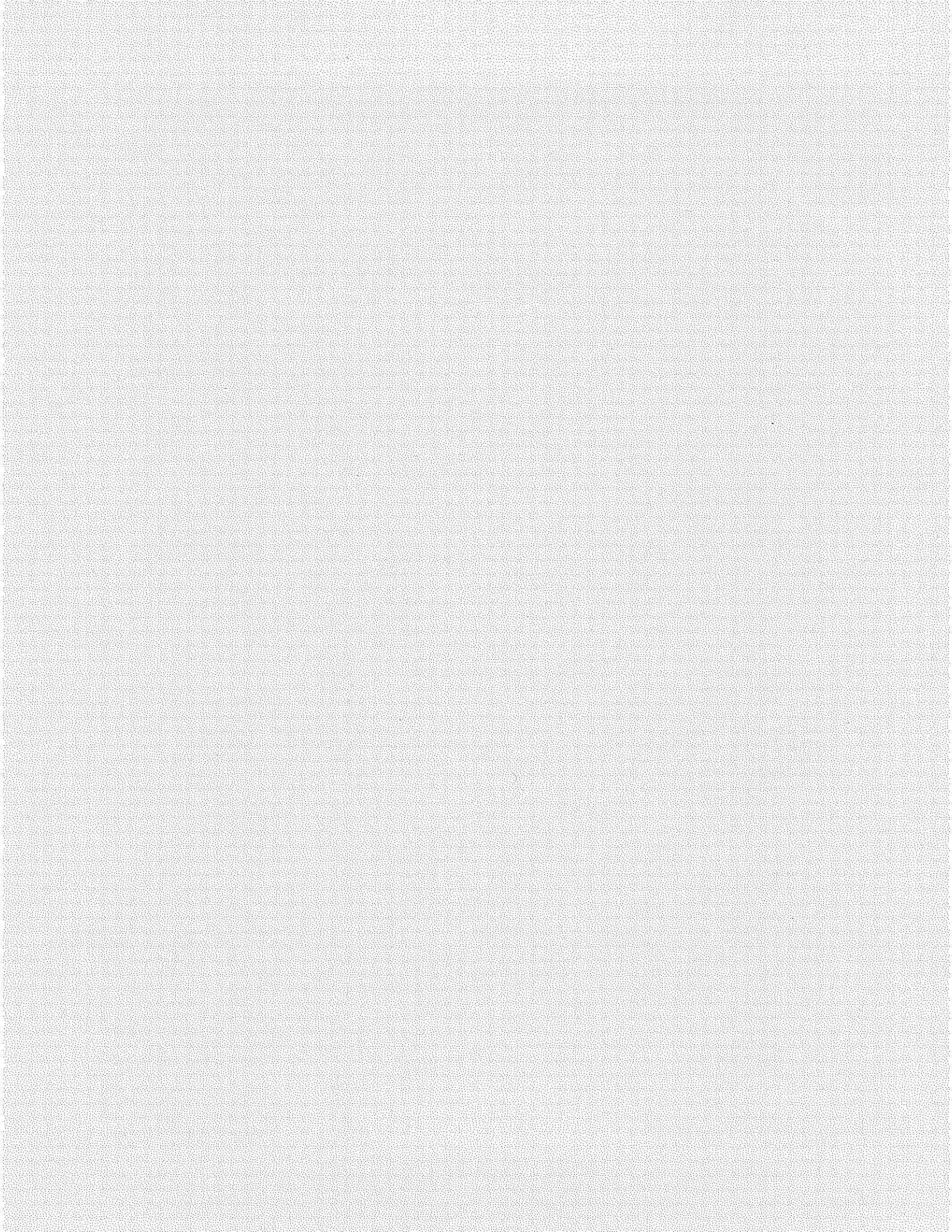
A. Single Bar with miligrain, see below picture



B. Double Bars with miligrain, see below picture



Best Regards,
May



From: gila@jsnjewellery.com
Sent: June-26-16 8:56 PM
To: rgaltshuler@rogers.com
Subject: Fwd: Development your modification designs style 10189
Attachments: CPD8788R.pdf

Sent from my Samsung device

----- Original message -----

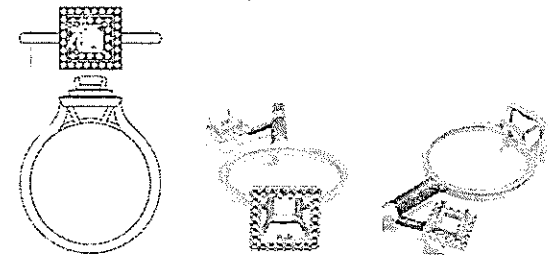
From: Kunnikar Thongdee <kunnikar.t@utopia-jewellery.com>
Date: 2016-06-24 1:24 AM (GMT-05:00)
To: Gila Shilon <Gila@jsnjewellery.com>
Cc: Mona Chi <silvamomo@gmail.com>, Anusorn Khumta <anusorn.k@utopia-jewellery.com>, Model Utopia <model@utopia-jewellery.com>, Boonyarat Ketijumroon <gaew@utopia-jewellery.com>
Subject: Development your modification designs style 10189

Dear Gila,

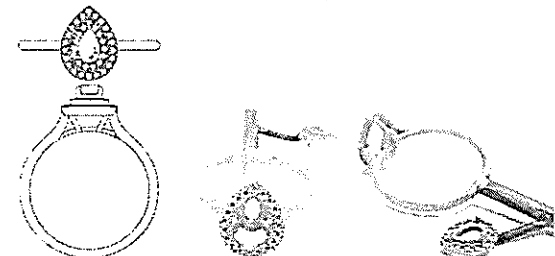
Please advise me as below detail for style 10189, See picture as below



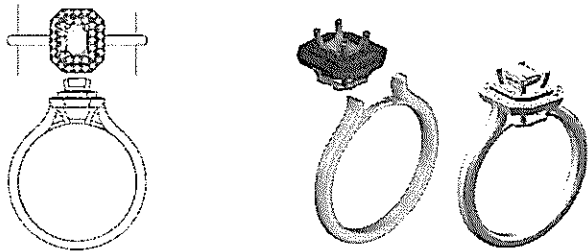
Developed to CPD8786R in Square shape / Sushil made model were different concept of the center claws see below picture



CPD8787R in Pear shape



CPD8788R in Octagon shape only one design that requested split shank / See CAD as below and in the attachment

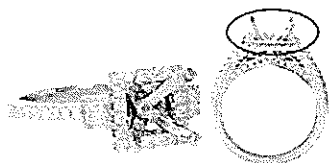


The center claws of the last one much nicer and look similar as your idea of center claws picture than other 2 above CPD8786R and CPD8787R so What shall we do? please advise.

A : Keep as Sushil did

B : Change all center claws to be same as CPD8788R, See CAD design in the attachment

Picture of Idea of center claws the you gave



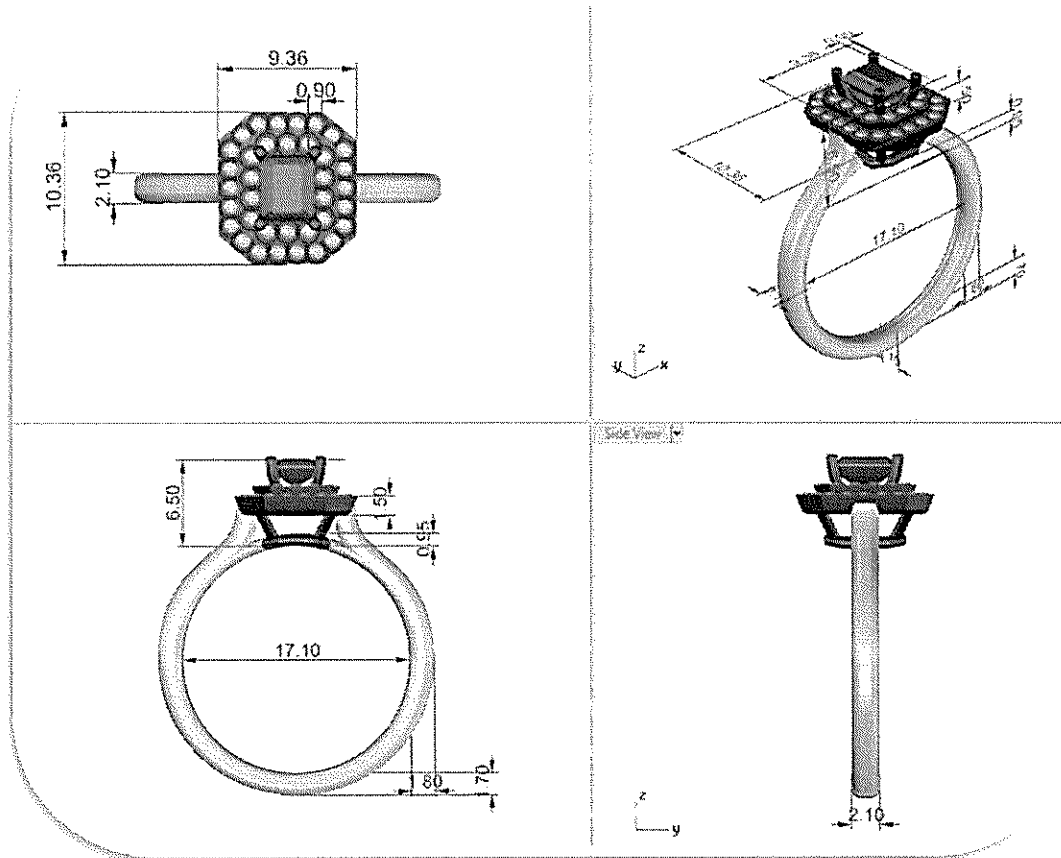
Thank and Best Regards,
May

CAD Dimension Sheet

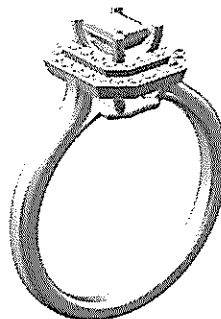
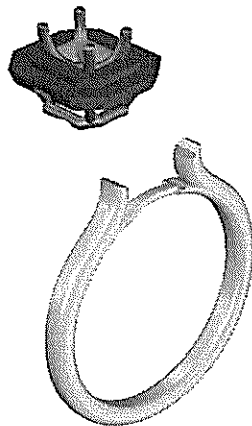
Design Number: CPD8788R

Done By : Sak.N

Date: 24-06-16



4 views of Design



$$4.5 \times 3.5 / 0.37 \times 1 = 0.37.$$



$$\varnothing 1.05 / 0.0065 \times 36 = 0.234.$$

Tw : 0.604 ct.

Silver : 3.40 g.

Comments adjustments

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced in Toronto

FIRST REPORT OF RICHTER ADVISORY
GROUP INC.,
IN ITS CAPACITY AS RECEIVER OF
J.S.N. JEWELLERY INC., J.S.N. JEWELLERY
UK LIMITED, GMJ CORP.,
2373138 ONTARIO INC., ALWAYS &
FOREVER FAMILY COLLECTION
INCORPORATED AND P.M.R. INC.

FASKEN MARTINEAU DUMOULIN LLP

Barristers and Solicitors
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Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman (LSUC# 43430D)

Tel: 416 865 5419
Fax: 416 364 7813
sbrotman@fasken.com

Aubrey E. Kauffman (LSUC# 18829N)

Tel: 416 868 3538
Fax: 416 364 7813
akauffman@fasken.com

Lawyers for the Receiver, Richter Advisory Group
Inc.

SALUS CAPITAL PARTNERS, LLC

Applicant

- and -

Court File No. CV-16-011478-00CL
J.S.N. JEWELLERY INC., *et al.*

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced in Toronto

**RESPONDING MOTION RECORD OF THE
RECEIVER, RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS RECEIVER OF J.S.N.
JEWELLERY INC., J.S.N. JEWELLERY UK
LIMITED, GMJ CORP., 2373138 ONTARIO INC.,
ALWAYS & FOREVER FAMILY COLLECTION
INCORPORATED AND P.M.R. INC.**

**(Re: Utopia/Sharon Stone Motion)
Volume 2 of 2**

FASKEN MARTINEAU DUMOULIN LLP

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333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

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Lawyers for the Receiver, Richter Advisory Group Inc.