

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF  
COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
COMARK INC.**

**EIGHTH REPORT OF THE MONITOR  
ALVAREZ & MARSAL CANADA INC.  
FEBRUARY 18, 2016**

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December 7, 2015.**

## **1.0 INTRODUCTION**

- 1.1 On March 26, 2015, Comark Inc. (“**Comark**”, the “**Company**” or the “**Applicant**”) applied for and was granted protection by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to an order of the Court dated March 26, 2015 (the “**Initial Order**”), Alvarez & Marsal Canada Inc. (“**A&M**”, or the “**Monitor**”) was appointed Monitor of the Applicant in the CCAA proceedings (the “**CCAA Proceedings**”).
- 1.2 As contemplated by the Initial Order, the Applicant attended the Comeback Hearing on April 7, 2015. The Comeback Hearing was unopposed.
- 1.3 On April 21, 2015, this Court issued the “Amended and Restated Initial Order” (hereinafter, unless the context otherwise requires, the “**Initial Order**”), which incorporates certain changes to the Initial Order granted March 26, 2015 that are described in the Second Report of the Monitor dated April 16, 2015.
- 1.4 In connection with the CCAA Proceedings, A&M, in its capacities as proposed monitor and as Monitor, has provided this Court with eight prior reports including the Pre-Filing Report (the “**Prior Reports**”). The Prior Reports, the Initial Order, and other Court-filed documents and notices in these CCAA Proceedings are available on the Monitor’s website at: [www.alvarezandmarsal.com/comark](http://www.alvarezandmarsal.com/comark).
- 1.5 On July 29, 2015, this Court issued an order (the “**Approval and Vesting Order**”) which, among other things, approved the sale transaction (the “**Transaction**”) contemplated by the asset purchase agreement made between the Company and Pacific West Commercial Corporation and its permitted assignees (collectively, the

**“Purchaser”**) dated July 16, 2015 (the **“APA”**). Pursuant to the Approval and Vesting Order, upon delivery of the Monitor’s Certificate, the Applicant’s right, title and interest in and to the assets described in the APA vested in the Purchaser free and clear of any claims and encumbrances other than certain permitted encumbrances.

- 1.6 On July 29, 2015, this Court also issued an order (the **“Distribution Order”**) which, among other things: (i) approved a distribution from the sale proceeds paid to the Monitor on the closing (**“Closing”**) of the Transaction (the **“Sale Proceeds”**) to Salus Capital Partners, LLC (**“Salus”**) in an amount to be determined by the Monitor and in the maximum amount of Salus’ secured claim (the **“Salus Distribution”**); and (ii) extended the Stay Period, as defined in paragraph 14 of the Initial Order, until and including October 30, 2015.
- 1.7 On August 13, 2015, this Court issued an order, among other things, assigning the rights and obligations under certain leases and contracts held by the Applicant to the Purchaser.
- 1.8 On October 30, 2015, this Court issued an order, among other things: (i) unsealing the unredacted APA and the Confidential Appendix “D” to the Monitor’s Fourth Report to the Court dated July 23, 2015 (the **“Fourth Report”**), both of which had been sealed by the Approval and Vesting Order; and (ii) extending the Stay Period to November 30, 2015.
- 1.9 On November 30, 2016, this Court issued an order (the **“D&O Claims Procedure Order”**), among other things, approving the proposed procedure (the **“D&O Claims Procedure”**) for the solicitation, determination and resolution of certain claims against current and former directors and officers of the Applicant, and extending the Stay Period to February 29, 2016.

1.10 The purpose of this report (the “**Eighth Report**”) is to provide the Court with:

1. an update in respect of:

- a) the Transaction;
- b) the D&O Claims Procedure;

2. information regarding:

- a) the Company’s receipts and disbursements for the period August 20, 2015 to February 12, 2016;
- b) the activities of the Monitor since the date of the Monitor’s Seventh Report to the Court dated November 25, 2015 (the “**Seventh Report**”);
- c) the Applicant’s motion returnable February 23, 2016 seeking an order, among other things:
  - i. terminating the D&O Charge (defined below), subject to the reservation of an amount to be recommended by the Monitor at the hearing of this motion to cover the maximum potential liability of the directors and officers of Comark (the “**Directors and Officers**”) that could be secured by the D&O Charge and related costs;
  - ii. reducing the amount of the Administration Charge to \$375,000;
  - iii. approving distributions to Salus from time to time in amounts to be determined by the Monitor in the maximum aggregate amount of the Remaining Salus Secured Claim (defined below);

- iv. approving the payment of \$17,773 into Court for the benefit of the Unlocated Members (defined below) of the Pension Plan (defined below) for their share of the surplus assets of the Pension Plan;
- v. ordering that the confidential exhibit to the Bachynski Affidavit (defined below) be sealed from the public record and kept confidential;
- vi. extending the Stay Period to May 31, 2016;
- vii. approving this Eighth Report and the Monitor's activities described therein; and

3. the Monitor's recommendations in connection with the foregoing.

## **2.0 TERMS OF REFERENCE**

- 2.1 In preparing this Eighth Report, the Monitor has been provided with and has relied upon, unaudited financial information, books, records and financial information prepared by certain senior management of Comark ("**Senior Management**"), and discussions with Senior Management (collectively, the "**Information**").
- 2.2 Future oriented financial information referred to in this Eighth Report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections. Even if the assumptions materialize, the variations could be significant.
- 2.3 Capitalized terms not otherwise defined in this Eighth Report are as defined in the Affidavit of Gerald Bachynski sworn February 16, 2016 (the "**Bachynski Affidavit**"), the Initial Order and the APA, as applicable.

- 2.4 Unless otherwise stated, all monetary amounts contained in this Eighth Report are expressed in Canadian dollars.

### **3.0 UPDATE ON THE SALE TRANSACTION**

#### *Working Capital Adjustment*

- 3.1 As discussed in the Fourth Report, the APA provides a mechanism to adjust the Purchase Price to reflect changes in working capital from a specified target amount which was set at the historical normalized annual average level of working capital as compared to the actual Working Capital at Closing (the “**Working Capital Adjustment**”). The APA required that the Monitor hold \$5 million from the Sale Proceeds in trust (the “**Holdback Amount**”) pending the determination of the Working Capital Adjustment.
- 3.2 As discussed in the Seventh Report, in connection with the determination of the Working Capital Adjustment, the Purchaser prepared and delivered to the Applicant and the Monitor a statement of the working capital as at Closing (the “**Working Capital Statement**”) on November 4, 2015.
- 3.3 In order to provide the Applicant and the Monitor sufficient time to complete their review of the assumptions and calculations supporting the Working Capital Statement, and for the parties to agree to any changes, the Applicant, in accordance with the terms of the APA, filed a Notice of Dispute with the Purchaser on November 18, 2015.
- 3.4 On December 17, 2015, Comark, the Monitor and the Purchaser agreed on a Working Capital Adjustment of \$4.378 million in favour of the Purchaser. On December 18, 2015, in accordance with the provisions of the APA and with the consent of Salus, the Monitor paid the Working Capital Adjustment amount to the Purchaser from the Holdback



Amount. The remaining Holdback Amount of \$622,000 has been released to the Comark estate.

*The Transition Services Agreement*

- 3.5 To date, both the Company and the Purchaser have performed and continue to perform their respective obligations under the Transition Services Agreement.

**4.0 UPDATE ON THE DIRECTOR AND OFFICER CLAIMS PROCEDURE**

*General*

- 4.1 In this section, all capitalized terms not defined elsewhere have the meaning ascribed to them in the D&O Claims Procedure Order.
- 4.2 In accordance with the provisions of the D&O Claims Procedure Order, the Monitor took the following steps:
- On November 30, 2015, posted the Notice to Claimants on the Monitor's website; and
  - On December 7, 2015, caused the Notice to Claimants to be published in: (i) the *Globe and Mail (National Edition)*, and (ii) *La Presse*. Copies of the publications are attached as **Appendix "A"**.
- 4.3 In addition, the Monitor sent a Claims Package to the parties appearing on the service list, to those parties identified in the books and records of the Company as potential Claimants and to two additional parties who requested a Claims Package.

*Claims Bar Date*

- 4.4 Any Claimant asserting a D&O Claim (Director or Officer Claim) was required to file the applicable Proof of Claim form with the Monitor by 5:00 p.m. EST on January 21, 2016 (the “**Claims Bar Date**”).

*Summary of D&O Claims Filed*

- 4.5 Six Proofs of Claim totaling approximately \$98,600 were filed with the Monitor on or before the Claims Bar Date (the “**Claims**”). Two of the Claims, totaling approximately \$3,700 were filed by suppliers, and the remaining four Claims, totaling approximately \$94,900 were filed by former employees.
- 4.6 The Monitor, in consultation with the Applicant, reviewed the Claims and determined that none of the Claims qualified as Accepted Claims. Accordingly, on January 15 and 20, and February 5 and 9, 2016, the Monitor sent Notices of Revision or Disallowance to each of the Claimants disallowing their respective Claims in their entirety.
- 4.7 The D&O Claims Procedure Order provides that any Claimant who intends to dispute a Notice of Revision or Disallowance must deliver a Notice of Dispute to the Monitor no later than 5:00 p.m. EST on the fifteenth day after the Notice of Revision or Disallowance is deemed to have been received by the Claimant, or such later date as the Monitor, in consultation with the Applicant, may agree in writing or the Court may order (the “**Dispute Period**”). If a Claimant fails to deliver a Notice of Dispute within the Dispute Period, the Claimant is deemed to accept the amount of its D&O Claim as set out in the Notice of Revision or Disallowance and any portion of their D&O Claim that is disallowed pursuant to a Notice of Revision or Disallowance is forever extinguished and

released as against the property of the Company and as against the Directors and Officers.

- 4.8 The Dispute Period in respect of the Notices of Revision or Disallowance sent on each of January 15 and 20, 2016 for Claims totaling approximately \$26,200 has expired and the Monitor did not receive any Notices of Dispute in respect of these claims. These claims have therefore been extinguished and released.
- 4.9 The Dispute Periods in respect of the Notices of Revision or Disallowance sent on February 5 and 9, 2016 for Claims totaling approximately \$36,600 and \$35,700 expire on February 22 and 25, 2016, respectively. To date, the Monitor has not received any Notices of Dispute.
- 4.10 Any Claimant who delivers a Notice of Dispute and who wishes to continue to dispute the Notice of Revision or Disallowance must, within 10 Business Days of delivery of the Notice of Dispute, file an application with the Court seeking determination of the D&O Claim, which application shall be returnable within 7 Business Days of the filing of the application.

## **5.0 REMAINING COURT ORDERED CHARGES**

### *The Directors' and Officers' Charge*

- 5.1 The Initial Order provides that Comark shall indemnify its directors and officers against liabilities and obligations incurred in their positions as directors and officers after the commencement of these CCAA proceedings, except in respect of any obligation or liabilities incurred as a result of a director's or officer's gross negligence or willful misconduct. As security for the indemnity, the Court granted a charge in favour of the

directors and officers over all of the property of Comark in the maximum amount of \$3 million (the “**D&O Charge**”).

5.2 As a result of the D&O Claims Procedure, including the passing of the Claims Bar Date, all potential claims against the D&O Charge are known. The maximum liability of the Directors and Officers that is potentially secured by the D&O Charge is approximately \$72,300, being the total amount of the Claims that, although they have been disallowed, have not yet been deemed to be finally extinguished and released.

5.3 It is the Monitor’s view that the D&O Charge is no longer necessary and should be discharged, subject to the reservation of an amount to be recommended by the Monitor at the hearing for the Applicant’s motion returnable February 23, 2016 (the “**D&O Reserve Amount**”) to cover the maximum potential liability of the Directors and Officers that could be secured by the D&O Charge and related costs, until final resolution of the remaining Claims or further order of the Court. The creation of the D&O Reserve Amount is not intended to affect the obligations of the Company’s existing director and officer liability insurer.

*Administration Charge*

5.4 The Initial Order also provided a charge over all of the property of Comark not to exceed \$1.2 million for the benefit of the Monitor, counsel to the Monitor, Applicant’s counsel, and the Financial Advisor with respect to its retainer as security for their professional fees and disbursements incurred at their standard rates and charges in respect of these CCAA proceedings (the “**Administration Charge**”).

5.5 The Financial Advisor has been paid in full for its services, the Company’s business and assets have been sold and it is no longer operating, and the remaining matters to be

addressed in the administration of the Comark estate are as described in this Eighth Report. Accordingly, it is the Monitor's view that the Administration Charge should be reduced to \$375,000.

## 6.0 POST-CLOSING RECEIPTS AND DISBURSEMENTS

6.1 The receipts and disbursements of the Applicant during the post-Closing period August 20, 2015 to February 12, 2016 are summarized in the table below.

<b>Comark Inc.</b> <b>Schedule of Receipts and Disbursements</b> <b>For the Post-Closing Period August 20, 2015 to February 12, 2016</b> <b>(\$000's)</b>	
	<b>Amount (\$)</b>
<b>Receipts</b>	
Sale Proceeds (note 1)	77,664
Cash on hand at August 19, 2015	5,377
Proceeds from term deposit	1,101
Net receipts from post-closing sales	239
Net receipts from pre-closing sales	653
Tax and workers' compensation refunds	174
Other receipts	415
Pension trust funds	18
<b>Total Receipts</b>	<b>85,640</b>
<b>Disbursements</b>	
Distribution to Salus	75,571
Working Capital Adjustment	4,378
Payment to Purchaser of funds collected on its behalf	239
Bridging finance fees	280
General and administrative expenses	4
Outstanding cheques	206
Cure costs	1,026
Priority payments (note 2)	40
GST/HST	169
Professional fees	2,424
<b>Total Disbursements</b>	<b>84,336</b>
<b>Available Funds (note 3)</b>	<b>1,304</b>
<b>Note 1</b> Sale Proceeds include approximately \$663,500 of GST/HST and QST on the Transaction. <b>Note 2</b> Priority payments include amounts paid in respect of vacation pay on termination pay for former employees in provinces where such amounts form a Directors' and Officers' liability and certain statutory termination pay in provinces where such amounts constitute a deemed trust. <b>Note 3</b> Amount does not include retainers in the aggregate amount of \$275,000 held by the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.	

- 6.2 As summarized above, receipts consist predominantly of the Sale Proceeds. Also included in receipts is cash on hand at the time of Closing, the proceeds from a term deposit, and certain tax refunds, all of which, pursuant to the APA, are Excluded Assets and are therefore the property of the Applicant. Other receipts include refunds from the cancellation of certain insurance policies and benefits plans, interest, a tenant inducement that was refunded in association with a disclaimed lease and certain trust funds received in relation to the Pension Plan, as discussed further below.
- 6.3 The Applicant's bank accounts remained open for a period of time post-Closing in order to allow certain payments to clear. During that time, receipts from credit card sales continued to be deposited for several days. To the extent that those receipts related to the post-Closing period, the APA provides that such funds belong to the Purchaser and, accordingly, have been remitted to the Purchaser, as outlined in the above table.
- 6.4 Disbursements consist primarily of: (i) the Salus Distribution, as further discussed in the Sixth Report; (ii) the Working Capital Adjustment paid to the Purchaser, as described in Section 3 of this Eighth Report; (iii) cure costs of approximately \$1.0 million required to be paid pursuant to the APA, which include approximately \$634,000 paid to the Purchaser to reimburse it for cure costs paid on behalf of the Applicant; (iv) distributions to certain former employees of the Company in respect of vacation pay accruing on statutory termination pay in provinces where such amounts form a directors' and officers' liability and certain statutory termination pay in provinces where such amounts constitute statutory deemed trusts; and (v) professional fees, which include amounts that were accrued but not yet paid at the time of Closing and which are comprised of amounts paid to the Applicant's legal counsel, KPMG LLP in association with its analysis of the Working Capital, the Monitor, the Monitor's legal counsel, other professionals associated

with these CCAA Proceedings, and the equivalent of US\$853,000 paid to Houlihan Lokey, Inc. in its capacity as Financial Advisor to the Applicant in connection with the SISP and under the terms of its engagement with the Applicant.

- 6.5 In addition to the receipts and disbursements up to February 12, 2016 described above, at the request of the Applicant, the Monitor has committed to purchase a one-year director and officer run-off insurance policy with a cost of approximately \$25,000, and expects to receive refunds in respect of HST and a credit balance in the Company's former benefit plan totaling approximately \$189,000.

## **7.0 INTERIM DISTRIBUTION**

- 7.1 At the time of the Closing, Comark was indebted to Salus pursuant to the Amended and Restated Credit Agreement between the Company and Salus dated March 26, 2015 (the "**Salus Credit Agreement**") and the DIP Facility. All of the obligations under the DIP Facility and a significant portion of the obligations under the Salus Credit Agreement were satisfied by the distribution to Salus from the Sale Proceeds following Closing. The remaining obligations under the Salus Credit Agreement (the "**Remaining Salus Secured Claim**") as at February 12, 2016 total approximately \$6.7 million, including interest and fees and the conversion of U.S. dollar denominated amounts into Canadian dollars as at February 12, 2016.
- 7.2 The obligations of Comark under the Salus Credit Agreement are secured by first-priority liens over all of Comark's present or future property.
- 7.3 As discussed in the Pre-Filing Report and the Fourth Report, the Monitor's independent legal counsel, Goodmans LLP ("**Goodmans**"), conducted and coordinated a security review and provided an opinion dated March 25, 2015 confirming the validity and

enforceability of the pre-filing security in connection with the Salus Credit Agreement as at the date of the opinion. In provinces where Goodmans does not have an office, local independent counsel provided opinions with respect to the validity and enforceability of the pre-filing security in those jurisdictions. No opinion was sought for the Northwest Territories.

- 7.4 The discharge of the D&O Charge and the reduction in the amount of the Administration Charge will allow for distributions to be made to Salus in reduction of the Remaining Salus Secured Claim, in amounts to be determined by the Monitor based on availability after reserving for the D&O Reserve Amount and holding back funds sufficient to complete the administration of the Comark estate.
- 7.5 The remaining matters to be addressed in completing the administration of the Comark estate include: resolving the remaining Claims filed in the D&O Claims Procedure; binding a one-year run-off director and officer insurance policy; the completion and filing of the Company's final income tax returns; filing HST returns; dealing with the approximately \$14,000 of cash collateral supporting outstanding letters of credit issued by the Company to certain utility service providers prior to the commencement of these CCAA Proceedings; and any other tasks incidental to the completion of the administration of the Comark estate.
- 7.6 The Comark estate has insufficient funds to satisfy the Remaining Salus Secured Claim in full. Accordingly, there are insufficient funds to pay any portion of unsecured claims and there will not be a claims process for unsecured creditor claims. The Monitor is not aware of any other secured claims against the Applicant's estate.



## **8.0 PAYMENT OF TRUST FUNDS INTO COURT**

- 8.1 Effective September 30, 1991, the Company terminated and wound-up a defined benefit pension plan of Robinson's (the "**Pension Plan**"), a former division of Comark. The surplus funds remaining after satisfying all liabilities under the Pension Plan were to be shared between Pension Plan members and the Company.
- 8.2 Nine of the Pension Plan members (the "**Unlocated Members**") could not be located. As at July 12, 2012, the total entitlement of the Unlocated Members to the surplus funds in the Pension Plan was \$17,773 (the "**Surplus Funds**"). At that time, the funding agent for the Pension Plan, Standard Life Assurance Company of Canada ("**Standard Life**") held the surplus assets relating to the Unlocated Members, as well as the Company's share of the surplus assets under the Plan.
- 8.3 The Company exchanged correspondence with the Financial Services Commission of Ontario ("**FSCO**") regarding the requirements to be met before the surplus funds from the Pension Plan could be distributed to the Company. Pursuant to these discussions, in July 2015, Comark created a trust account at Toronto-Dominion Bank ("**TD**") to hold the Unlocated Members' surplus entitlement amount. A copy of the board resolution authorizing the establishment of the account, along with certain bank account details, is attached to the Bachynski Affidavit.
- 8.4 The Company received its share of the surplus funds from the wind-up of the Pension Plan from Standard Life on September 30, 2015.
- 8.5 On July 27, 2015, FSCO advised that, given the Company's representations about the creation of a trust account, its file for the Pension Plan was closed, and on September 11,

2015, Standard Life transferred the Unlocated Members' share of the surplus funds to the trust account established by the Company at TD.

- 8.6 As previously reported, as part of the administration of the estate, Comark's bank accounts at TD were closed, and funds from those accounts were transferred to the estate bank accounts administered by the Monitor. Since Comark will no longer be able to act as trustee of the funds held on behalf of the Unlocated Members, the Company seeks to pay \$17,773 into Court for the benefit of the Unlocated Members.

## **9.0 EXTENSION OF THE STAY PERIOD**

- 9.1 The Applicant is requesting an extension of the Stay Period to May 31, 2016. The Monitor believes that the Applicant has acted and continues to act in good faith and with due diligence during these CCAA proceedings. Given that the Transaction has closed and the Applicant is no longer operating, the Applicant has not prepared an extended cash flow forecast through the expiry of the requested extension to the Stay Period. On behalf of the Applicant, the Monitor intends to satisfy any amounts properly incurred in respect of the ongoing administration of the estate, including with respect to completing the D&O Claims Procedure and paying any D&O Claims determined to be Accepted Claims, from the funds being held by the Monitor on behalf of the estate. The Monitor anticipates that such amounts will be primarily limited to professional fees and expenses, the cost of a one-year run-off director and officer liability insurance policy and other incidental fees and costs. The funds the Monitor is holding in its estate bank accounts are expected to be sufficient to satisfy such amounts.

## **10.0 MONITOR'S ACTIVITIES SINCE THE DATE OF THE SEVENTH REPORT**

10.1 In addition to the Monitor's activities described above, the activities of the Monitor since the date of the Seventh Report have included the following:

- a) responding to enquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the toll-free number or general email account established by the Monitor;
- b) maintaining estate bank accounts, overseeing and accounting for the Applicant's post-Closing receipts and disbursements;
- c) posting non-confidential materials filed with the Court to the website established by the Monitor for the CCAA Proceedings;
- d) communicating with Salus in respect of the Remaining Salus Secured Claim;
- e) communicating with TD regarding cash collateral held in respect of certain outstanding letters of credit;
- f) assisting the Company in respect of its obligations under the APA and the Transition Services Agreement and, in conjunction with the Company and its legal counsel, attending to post-Closing matters;
- g) communicating with the Company's insurance broker in respect of insurance related matters, including arranging for the binding of a one-year run-off director and officer insurance policy;
- h) reviewing and communicating with the Applicant, its legal counsel, Salus and the Purchaser in respect of the Working Capital Statement and the Working Capital Adjustment;

- i) attending the hearing held on November 30, 2015 in respect of the extension of the Stay Period and the approval of the D&O Claims Procedure Order;
- j) working with the Applicant, the Applicant's legal counsel and the Monitor's legal counsel in connection with the Applicant's motion returnable February 23, 2016; and
- k) preparing this Eighth Report in consultation with the Monitor's legal counsel.

## **11.0 MONITOR'S RECOMMENDATIONS**

11.1 Given the stage of the D&O Claims Procedure and the remaining matters to be addressed in completing the administration of Comark's estate, the Monitor believes that the discharge of the D&O Charge and the reduction in the amount of the Administration Charge, further distributions to Salus in respect of the Remaining Salus Secured Claim, and payment of the Surplus Funds into Court for the benefit of the Unlocated Members, are appropriate in the circumstances. Accordingly, the Monitor recommends that this Court terminate the D&O Charge, reduce the amount of the Administration Charge, approve the distributions to Salus and approve the payment of the Surplus Funds into Court.


11.2 The Monitor believes that an extension to the Stay Period until May 31, 2016 is appropriate, as it is subsequent to the expiry of the Dispute Period of the Claims filed in the D&O Claims Procedure that have not yet been fully and finally resolved and should allow sufficient time for the Monitor, in consultation with the Applicant, to resolve such Claims and to deal with the remaining matters related to the Applicant's estate described herein. Accordingly, the Monitor recommends that this Court grant the requested extension of the Stay Period.

11.3 For the reasons set out in this Eighth Report, the Monitor hereby respectfully recommends that this Court grant the relief requested by the Applicant in its Notice of Motion.

\*\*\*\*\*

All of which is respectfully submitted to this Court this 18<sup>th</sup> day of February, 2016.

**Alvarez & Marsal Canada Inc., in its capacity  
as Monitor of Comark Inc.**

Per:   
John J. Walker

**APPENDIX “A”**  
**[ATTACHED]**

**NOTICE OF D&O CLAIMS BAR DATE**

**IN RESPECT OF CLAIMS AGAINST THE DIRECTORS AND  
OFFICERS OF COMARK INC. ("COMARK")**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,**

**R.S.C.1985, c. C-36, as amended (the "CCAA")**

TO: CLAIMANTS HAVING A D&O CLAIM AND TO ANY OTHER PERSON OR PARTIES

**NOTICE OF D&O CLAIMS PROCEDURE AND CLAIMS BAR DATE**

**PLEASE TAKE NOTICE** that this notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated November 30, 2015 (the "D&O Claims Procedure Order"). All capitalized terms in this Notice are defined in the D&O Claims Procedure Order, a copy of which can be found on the website of the Monitor, Alvarez & Marsal Canada Inc. at <http://www.alvarezandmarsal.com/comark-inc/>.

Please take notice that this claims process only addresses certain claims against the Directors and Officers of Comark, defined as D&O Claims in the D&O Claims Procedure Order. Any Person who believes that it has a D&O Claim against a Director or Officer of Comark should send a Proof of Claim to the Monitor to be received by the Monitor by 5:00 p.m. local Toronto time on January 21, 2016 or such other date as ordered by the Court (the "Claims Bar Date").

**D&O CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.**

Claimants who require a Proof of Claim form may access these forms at the Monitor's website at <http://www.alvarezandmarsal.com/comark-inc> or they may contact the Monitor (Attention: Melanie MacKenzie, telephone: (416) 847-5158) to obtain a claims package.

Claimants should file their Proof of Claim with the Monitor by mail, email, courier or hand delivery, so that the Proof of Claim is actually received by the Monitor by the Claims Bar Date at the address below.

**Address of the Monitor**

Alvarez & Marsal Canada Inc.

In its capacity as Monitor of Comark Inc.

Royal Bank Plaza, South Tower

Suite 2900, P.O. Box 22

Toronto, ON M5J 2J1

Attention: Melanie MacKenzie

E-mail: [mmackenzie@alvarezandmarsal.com](mailto:mmackenzie@alvarezandmarsal.com)

**AVIS DE LA DATE LIMITE DE DÉPÔT DES RÉCLAMATIONS  
CONTRE LES ADMINISTRATEURS ET DIRIGEANTS  
À L'ÉGARD DE RÉCLAMATIONS CONTRE LES ADMINISTRATEURS  
ET LES DIRIGEANTS DE COMARK INC. (« COMARK »)  
DANS L'AFFAIRE DE LA LOI SUR LES ARRANGEMENTS  
AVEC LES CRÉANCIERS DES COMPAGNIES,  
L.R.C. 1985, c. C-36, dans sa version modifiée (la « LACC »)**

DESTINATAIRES: LES DEMANDEURS QUI ONT UNE RÉCLAMATION CONTRE LES ADMINISTRATEURS ET LES DIRIGEANTS ET TOUTE AUTRE PERSONNE OU PARTIE

**AVIS DE PROCÉDURE RELATIVE AUX RÉCLAMATIONS CONTRE LES ADMINISTRATEURS  
ET LES DIRIGEANTS ET DE DATE LIMITE DE PRÉSENTATION DES RÉCLAMATIONS**

**AVIS EST DONNÉ** que le présent avis est publié conformément à une ordonnance de la Cour supérieure de justice de l'Ontario (rôle commercial) datée du Novembre 30, 2015 (l'« ordonnance de procédure relative aux réclamations contre les administrateurs et les dirigeants »). Tous les termes clés figurant dans le présent avis sont définis dans l'ordonnance de procédure relative aux réclamations contre les administrateurs et les dirigeants, dont un exemplaire figure sur le site Web du contrôleur, Alvarez & Marsal Canada Inc., au <http://www.alvarezandmarsal.com/comark-inc/>.

Veuillez prendre note que cette procédure relative aux réclamations ne porte que sur certaines réclamations contre les administrateurs et les dirigeants de Comark, définies comme étant les réclamations contre les administrateurs et les dirigeants (*D&O Claims*) dans l'ordonnance de procédure relative aux réclamations contre les administrateurs et les dirigeants. Toute personne qui croit avoir une réclamation contre les administrateurs et les dirigeants de Comark devrait transmettre une preuve de réclamation au contrôleur, qui doit lui être parvenue au plus tard à 17 h, heure de Toronto, le 21 Janvier 2016 ou à une autre date ordonnée par la Cour (la « date limite de présentation des réclamations »).

**LES RÉCLAMATIONS CONTRE LES ADMINISTRATEURS ET LES DIRIGEANTS QUI NE SONT PAS REÇUES AU PLUS TARD À LA DATE LIMITE DE PRÉSENTATION DES RÉCLAMATIONS SERONT ÉTEINTES ET INTERDITES À JAMAIS.**

Les demandeurs peuvent se procurer un formulaire de preuve de réclamation sur le site Web du contrôleur au <http://www.alvarezandmarsal.com/comark-inc/> ou communiquer avec le contrôleur (Melanie Mackenzie, téléphone : 416 847 5158) pour obtenir une trousse de réclamation.

Les demandeurs doivent déposer leur preuve de réclamation auprès du contrôleur par la poste, par courriel, par service de messagerie ou par livraison en mains propres de façon que la preuve de réclamation parvienne au contrôleur au plus tard à la date limite de présentation des réclamations à l'adresse indiquée ci-après.

**Adresse du contrôleur**

Alvarez & Marsal Canada Inc.,  
en sa qualité de contrôleur de Comark Inc.  
Royal Bank Plaza, South Tower  
Suite 2900, P.O. Box 22  
Toronto (Ontario) M5J 2J1

À l'attention de                      Melanie MacKenzie  
Courriel :                              [mackenzie@alvarezandmarsal.com](mailto:mackenzie@alvarezandmarsal.com)



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**EIGHTH REPORT OF THE MONITOR  
(Dated February 18, 2016)**

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