

IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF
BRUSHSTROKES FINE ART INC.

NOTICE AND STATEMENT OF THE RECEIVER AND MANAGER
(The Bankruptcy and Insolvency Act Subsections 245(1) and 246(1))

The Receiver gives notice and declares that:

1. By Order of the Ontario Superior Court of Justice (Commercial List) dated the 6th day of June, 2011 the undersigned Ira Smith Trustee & Receiver Inc. (“ISI”) became the Interim Receiver and Receiver (the “Receiver”) of all the assets, undertakings and property of Brushstrokes Fine Art Inc., an insolvent company that is described below:

	Net Book Value	Estimated to Realize ⁱ
	\$	
Accounts Receivable	959,741.89	Unknown
Inventory	3,992,918.80	Unknown
Prepaid Expenses and Other Receivables	1,012,317.13	Unknown
Equipment and Leasehold Improvements	979,587.44	Unknown
Intangible Assets (& Intellectual Property)	1,469,736.82	Unknown

2. The undersigned became the Receiver by virtue of being appointed by the Court.

3. The majority of the assets described above are located in Canada at the location specified below. Certain assets are located outside of Canada at the locations specified below and the Receiver’s investigations are ongoing.

4. The following information relates to the appointment:

- (a) Address of insolvent company: 60 Leek Crescent
Richmond Hill, ON L4B 1H1
- (b) Principal line of business: Manufacture and sale of artwork reproductions and custom portraits using proprietary technologies
- (c) Location(s) of business: i) Head Office as described above;
ii) warehouse facility in El Paso, TX;
and iii) manufacturing facility in Ciudad Juarez, Mexico

(d) Amount owed by the insolvent company to each creditor who holds or may hold a security on the property described above, is as indicated on the attached list. A search of the Ontario Personal Property Security Registration System has indicated that the following parties may have a security interest in certain assets of the insolvent company:

1. Greenfield Financial Group Inc. and its assignee 2251263 Ontario Inc.
2. Transcontinental 2005 G.P.
3. National Leasing Group Inc.
4. 1450714 Ontario Inc. and the Estate of Harvey Kalef
5. Her Majesty the Queen in the right of Ontario as represented by the Minister of Revenue

(e) The list of creditors of the insolvent company including above noted secured creditors and the amount owed to each creditor and the total amount due by the insolvent company, based on the information currently available to the Receiver, is as followsⁱⁱ:

See attached list.

(f) The intended plan of action of the Receiver is as follows:

The Receiver is currently developing a plan of action to maximize the realization on the assets for all stakeholders. The Receiver will report to the Court with respect to its findings and intended plan.

(g) Contact person for the Receiver: Brandon Smith
Telephone 905-738-4167 ext. 113
Fax 905-738-9848
Email: brandon@irasmithinc.com

DATED at Concord, Ontario, this 9th day of June, 2011

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.

Solely in its capacity as Court Appointed Interim Receiver and Receiver of the assets, properties and undertakings of Brushstrokes Fine Art Inc.

Per:



Brandon Smith
Senior Vice -President

ⁱ The Receiver is currently not in a position to provide an Estimated Realization analysis. When the Receiver is in a position to do so, such analysis will be provided to the Court in a Report to Court.

ⁱⁱ This list is tentative and subject to change.

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CREDITORS LIST

Name	Currency	Amount
1450714 ONTARIO INC.	CDN	unknown
407 ETR	CDN	602.61
A&E FINE ARTS,INC/AVIRAM ART	USD	unknown
ABACUS	USD	unknown
ABELL PEST CONTROL	CDN	410.78
ACCURATE COMMUNICATIONS	USD	6,660.66
ACCUWRAP	CDN	unknown
ALICIA QUAINI	USD	unknown
ALL KLEEN SERVICES	CDN	4,101.00
ALLSTREAM	CDN	716.26
AMANDA DUNBAR	USD	unknown
AMERICAN EXPRESS	USD	unknown
ANNAN & BIRD	CDN	12,190.49
ARCTIC PACKAGING INDUSTRIES	CDN	unknown
ART BANK LLC	USD	unknown
ART RIVER STUDIO	USD	unknown
ARTISTREE INC.	USD	unknown
ATIFF PRODUCTION	CDN	unknown
ATLANTIC ARTS, INC.	USD	unknown
BEHRENS INTERNATIONAL GROUP	USD	unknown
BELL CANADA	CDN	1,267.96
BELL CANADA	CDN	1,386.55
BENTLEY LICENSING GROUP	USD	unknown
BFI CANADA	CDN	1,093.57
BRAD DANCHES	USD	1,614.44
BRIDGEMAN ART LIBRARY INT'L	USD	unknown
BRITTANY INDUSTRIES	USD	920.89
BRYAN POTTRATZ FINE ART	USD	unknown
CAFO INC	CDN	unknown
CANADA POST CORPORATION	CDN	unknown
CANADA REVENUE AGENCY	CDN	unknown
CANADA REVENUE AGENCY	CDN	unknown
CARLSON SYSTEMS	CDN	unknown
CFM ENTERPRISES	CDN	unknown
CHRIS PASCHKE	USD	unknown
CIBC AEROGOLD	CDN	25,458.68
CLASSIC PUBLICATIONS INC.	USD	unknown
CLIMATEMP SYSTEMS(2009) LTD.	CDN	713.26
COMMERCE TECHNOLOGIES, INC.	USD	265.89
COMMERCE TECHNOLOGIES, INC.	USD	741.30
COMMISSION JUNCTION	USD	unknown
COMPRESSOR SERVICES LTD	CDN	1,665.43
CONTAINER CORPORATION OF CANADA	CDN	5,413.27

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Name	Currency	Amount
CON-WAY	CDN	1,817.81
CORAL CANYON PUBLISHING LLC	USD	unknown
CORPORATE EXPRESS	CDN	2,061.50
COUNTERFORCE	CDN	2,056.78
COYLE CORRUGATED CONTAINERS	CDN	unknown
CURT WALTERS	USD	unknown
DALLAS a. SAUNDERS STUDIO	USD	unknown
DANIELLE O'CONNOR AKIYAMA	CDN	unknown
DAVID MOORE ENTERPRIZES INC.	CDN	6,665.17
DELJOU ART GROUP	USD	28,864.48
DELTA PICTURE FRAME CO	USD	unknown
DESIGNS INC	USD	unknown
DHL EXPRESS (CANADA), LTD.	CDN	unknown
DIESEL GLOBAL LOGISTICS, INC.	USD	39.84
EDITIONS LIMITED	USD	unknown
EHNLE HOLZ-HANDELS-GMBH	CDN	unknown
ELECOMPACT SYSTEMS INC.	CDN	536.39
ELIZABETH LEE	USD	unknown
ENBRIDGE CONSUMERS GAS	CDN	11,033.87
EPSILON DATA MGMT LLC	USD	unknown
ERIC POULSON	USD	unknown
ESTATE OF HARVEY KALEF	CDN	unknown
EXPORT DEVELOPMENT CANADA	CDN	864.91
EXPORT DEVELOPMENT CANADA	USD	427.76
FEDERAL EXPRESS CANADA	CDN	6,187.97
FEDEX EXPRESS CANADA LTD.	USD	406.63
FEDEX FREIGHT EAST	USD	177.60
FEDEX TRADE NETWORKS	USD	2,935.13
FEDEX TRADE NETWORKS	USD	14.57
FELIX ROSENSTIELS WIDOW & SON	CDN	1,556.00
FIRST REFERENCE INC.	CDN	unknown
FLAME-TAMER FIRE & SAFETY LTD.	CDN	unknown
FLINT PACKAGING PRODUCTS LTD.	CDN	1,863.69
FORD SMITH FINE ART INC	USD	unknown
FRAMEWARE INC.	USD	2,065.00
FREDERIC REMINGTON	USD	unknown
FRONTIER DISTRIBUTING	CDN	unknown
FRONTIER DISTRIBUTING	USD	136.66
FRONTIER MATERIAL HANDLING	CDN	unknown
FSA GROUP	USD	unknown
GALLERY STREET	USD	unknown
GARY HOLLAND	USD	unknown
GND WOOD CRAFT	CDN	28,217.38

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Name	Currency	Amount
GOOGLE AFFILIATE NETWORK	USD	497.30
GRAND IMAGE	USD	unknown
GREENFIELD COMMERCIAL CREDIT	CDN	unknown
GREGORY EDITIONS FINE ART	USD	unknown
GRUPO AMERICAN INDUSTRIES	USD	2,182,428.26
GS1 CANADA	CDN	847.50
GXS CANADA INC.	CDN	1,741.10
H.M.Q. IN THE RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF REVENUE	CDN	unknown
HALLTECH INC.	CDN	8,914.30
HARVEY KALEF	CDN	unknown
HOFACRE ENTERPRISES, LLC.	USD	unknown
HOLMES FREIGHT LINES INC.	CDN	4,974.88
HOME DEPOT CREDIT SERVICES	CDN	4,707.24
HOMELAND CONNECT INC.	CDN	1,552.62
HORTON COMPONENTS	USD	105,735.00
HUNTON & WILLIAMS LLP	USD	unknown
IBE FINE ART	USD	unknown
ICECORP LOGISTICS INC.	USD	unknown
IGOR'S ART HOUSE INC	USD	unknown
IKON OFFICE SOLUTIONS	CDN	175.31
IMPERIAL COFFEE AND SERVICES	CDN	368.53
IND. DE MOLDURAS CATARINENSE	CDN	unknown
INTERNATIONAL GRAPHICS	CDN	unknown
INTERNATIONAL TELEPHONE PRODUCT	CDN	5,661.69
JACK ZHOU	CDN	unknown
JAMES COLEMAN	USD	unknown
JAMES SULKOWSKI	USD	unknown
JEFFREY LARSON	USD	unknown
JEREMY BORTZ	CDN	unknown
JOHN BARBER ART LTD.	USD	unknown
JOHN L HASTING	USD	unknown
JULIA KLIMOVA	USD	unknown
JUST OFFICE PERSONNEL	CDN	1,352.30
KLOCKNER PENTAPLAST OF CANADA	CDN	23,225.94
KLOCKNER PENTAPLAST OF CANADA	USD	unknown
KWIK KOPY	CDN	1,884.82
LARSON - JUHL	USD	unknown
LARSON-JUHL	CDN	unknown
LARSON-JUHL (ATL)	USD	unknown
LEONARD WREN	USD	unknown
LESLIE SIESWERDA	USD	unknown
LIPTON WISEMAN ALTBAUM LLP	CDN	unknown
LIVINGSTON INTERNATIONAL INC.	CDN	1,703.32

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Name	Currency	Amount
LIVINGSTON INTERNATIONAL INC.	USD	158.60
LUCIA ROCCA	USD	unknown
MADERAS DE LA FRONTERA	USD	35,000.00
MADIX, INC.	USD	unknown
MANULIFE FINANCIAL	CDN	unknown
MARCOM GROUP INC.	CDN	unknown
MARK A. HILL	USD	unknown
MARK KALEF	CDN	1,110.26
MARKHAM ECONOMIST & SUN	CDN	unknown
MAVERICK PUBLIC RELATIONS	CDN	unknown
MC2	USD	822.56
MICHAEL ETHRIDGE	USD	unknown
MICHELANGELO MOULDING	USD	26,700.44
MINDEN GROSS FRAFSTEIN & GREEN	CDN	unknown
MINISTRY OF FINANCE	CDN	unknown
MINISTRY OF LABOUR	CDN	unknown
NANCY KIRAKOS	CDN	unknown
NATASHA BARNES	USD	unknown
NATIONAL LEASING GROUP INC.	CDN	unknown
NELDA PIEPER	USD	unknown
NEXT ACTION	USD	unknown
NINGBO CONDA IMP & EXP CO. LTD	USD	unknown
NOVA COLOR	USD	988.89
ORLANDO/INVESTORS CO-TENANCY	CDN	90,902.66
P.O.P. STORE FIXTURES INC.	CDN	5,735.32
PEER 1 NETWORK USA INC.	USD	543.04
PETE TILLACK	USD	unknown
PETER COLBERT	CDN	293.85
PHOENIX ART GROUP INC.	USD	unknown
PIETRO ADAMO FINE ARTS INC.	CDN	unknown
PIETRO ADAMO FINE ARTS INC.	USD	unknown
PILOT AIR FREIGHT CORP.	USD	1,091.29
PISTORIUS MACHINE CO., INC.	USD	unknown
PITNEY BOWES GLOBAL CREDIT SER	CDN	348.54
PITNEY WORKS	CDN	2,249.41
PLAN A CORPORATION	USD	unknown
PLASTICOS Y CORRUGADOS	USD	unknown
POWERSTREAM INC.	CDN	17,222.11
PRINTER'S PARTS & EQUIPMENT	CDN	8,339.33
PRIORITY STAFFING USA, INC.	USD	unknown
PUROLATOR COURIER LTD.	CDN	3,417.02
QUARLES& BRADY LLP	USD	unknown
RAPID PALLETS LP	USD	64,674.09

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Name	Currency	Amount
REXCEL COATING CORPORATION	USD	1,648.64
REYNA CASTANO	USD	unknown
RFS CANADA	CDN	2,464.53
RICHES, McKENZIE & HERBERT	CDN	unknown
RICOH CANADA INC.	CDN	3,981.11
ROBERT STURMAN	USD	unknown
ROGERS WIRELESS INC.	CDN	416.29
ROSS INDUSTRIES	USD	210.21
ROZENVAIN FINE ART	CDN	1,575.00
RYAN HOPKINS	USD	unknown
S. I. PUBLISHING, LLC	USD	unknown
SANDEE SANDER	USD	unknown
SANI-SERVICE	CDN	226.00
SCL IMAGING GROUP	CDN	1,186.50
SETON	CDN	1,161.39
SEYMOUR ALPER INC.	CDN	unknown
SHELTON ABRAMS	USD	unknown
SHORELINE MANAGEMENT GROUP	USD	unknown
SIM & MCBURNEY	CDN	unknown
SIMON BULL INTERNATIONAL, INC.	USD	unknown
SIR SPEEDY	CDN	508.50
SOFTCHOICE CORPORATION	CDN	unknown
SOS EMERGENCY RESPONSE TECHNOLOGY	CDN	892.70
SPIRAL LICENSING	USD	unknown
SPS COMMERCE	USD	239.86
STELLAP PALLETS	CDN	1,267.86
STOCKWOODS LLP	CDN	unknown
TARA MATERIAL INC.	USD	13,211.29
TECH MARK INC.	CDN	unknown
THE AMERICAN EXPRESS CORPORATE	CDN	unknown
THE CREATECH GROUP	CDN	820.80
THE KINDT- COLLINS COMPANY LLC	CDN	unknown
THE MIX	USD	2,270.76
TIANEN PHOTO FRAME MAN. CO LTD	USD	unknown
TIGERDIRECT.CA INC.	CDN	629.29
TODD WILLIAMS	USD	unknown
TOM BROWNING	USD	unknown
TORQUE ELECTRIC MOTORS LTD	CDN	113.00
TRANS ONTARIO EXPRESS	CDN	2,102.89
TRANSCONTINENTAL 2005 G.P.	CDN	unknown
TRANSCONTINENTAL PRINTING G.P.	CDN	348,016.87
UNITED STATES POSTAL SERVICE	USD	808.27
UPS CANADA	CDN	44.64

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Name	Currency	Amount
UPS CANADA LIMITED	CDN	54.96
UPS CANADA LTD.	CDN	8,487.68
UPS SCS INC.	USD	2,741.31
UPS SCS INC.	USD	19,200.86
UPS SUPPLY CHAIN SOLUTIONS	USD	431.31
UPS SUPPLY CHAIN SOLUTIONS, IN	USD	1,050.15
VITAL BABY INNOVATIONS INC.	CDN	unknown
WESTERN CANADA EXPRESS	CDN	unknown
WILD APPLE GRAPHICS LTD	USD	unknown
WMCV PHASE 1 LLC,	USD	unknown
WORKPLACE SAFETY & INSURANCE	CDN	5,138.08
WORKPLACE SAFETY NORTH	CDN	unknown
WSIB	CDN	unknown
WUXI PHOENIX STATIONARY LTD.	CDN	unknown
X SONG JIANG	USD	unknown
X-PRESS ELECTRIC SERVICES LTD.	CDN	618.86
YORKE TOWNE	CDN	unknown