Court File No. BK-25-03298880-0031
Estate File No. 31-3298880

IN THE MATTER OF THE PROPOSAL OF
MORRIS MARKETING GROUP INC.
OF THE TOWN OF TORONTO
IN THE PROVINCE OF ONTARIO

REPORT OF TRUSTEE ON PROPOSAL

December 23, 2025

INTRODUCTION

1. On November 14, 2025 (the "**Filing Date**"), Morris Marketing Group Inc. ("**Morris**" or the "**Debtor**") filed with the Official Receiver a Notice of Intention to Make a Proposal ("**NOI**") to its creditors pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**") and named Dodick Landau Inc. as Proposal Trustee (the "**Proposal Trustee**", and these proceedings the "**Proposal Proceeding**"). A copy of the NOI and Certificate of Filing are attached hereto as **Appendix "A"**.

2. On December 12, 2025, pursuant to section 62 of the BIA, the Debtor filed with the Official Receiver a proposal (the "**Proposal**"). Attached hereto as **Appendix "B"** is a copy of the Certificate of Filing of the Proposal.

3. On December 16, 2025, the Debtor filed with the Official Receiver an amended Proposal (the "**Amended Proposal**") which clarified certain filing requirements for the Convenience Class Creditors (as defined and discussed further herein).

4. The purpose of this report (the "**Report**") is to provide information to the creditors of the Debtor (the "**Creditors**") to assist in their evaluation of the Amended Proposal.

5. The Amended Proposal has been developed to implement a restructuring of the Debtor with the expectation that the unrelated unsecured Creditors will derive a greater benefit from the completion of the restructuring and the continued operation of part of the business of the Debtor than would result from a liquidation of the Debtor's assets in a bankruptcy proceeding.

6. **A meeting of the Creditors to consider the Amended Proposal will be held by video conference on January 5, 2026, at 3:00 p.m. (Toronto Time) (the "Creditors' Meeting"). This Report outlines the process for filing claims and other documents prior to the Creditors'**

Meeting. These details will be mailed to each known Creditor or their duly appointed representative. They can also be obtained by contacting the Proposal Trustee.

DISCLAIMER

7. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Debtor's books and records, discussions with the management of Morris ("**Management**"), discussions with, and information received from, representatives of Elm Street Technology, LLC ("**Elm**") and information from other third-party sources (collectively, the "**Information**").

8. Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Canadian Institute of Chartered Accountants Handbook (the "**CPA Handbook**") and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

9. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook, has not been performed. Future oriented financial information referred to in this 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, and the variations may be material.

10. Capitalized terms not defined in this report have the meaning given to them in the Amended Proposal and this Report should only be read in conjunction with the Amended Proposal. While this Report summarizes key aspects of the Amended Proposal, Creditors are advised to carefully read the Amended Proposal in full. Should there be any discrepancy between the summary contained in this Report and the Amended Proposal, the Amended Proposal shall govern.

11. Unless otherwise stated, all monetary amounts referred to herein are in Canadian dollars.

BACKGROUND

Operations

12. Morris is a wholly owned subsidiary of Elm, a Delaware incorporated company, based in the United States. Elm is a technology solutions provider to real estate professionals in the United States.

13. Morris is a British Columbia incorporated company with operations in Toronto. Morris owns and operates IXACT Contact, an all-in-one client relationship management software ("**CRM**") and automated marketing solution for real estate professionals. Morris also operated a printing facility ("**Print Operations**") in Toronto from where it designed, printed and distributed mass mailings for real estate professionals across Canada and employed approximately 30 people.

14. Elm replaced the director of Morris in June 2025 with Mr. Keith Beeman ("**Mr. Beeman**"), a representative of Elm who currently acts as the Chief Executive Officer and sole director of Morris. Mr. Beeman replaced a previous representative of Elm.

15. On August 27, 2025, a shared services agreement was executed (the "**Shared Services Agreement**") between Elm and Morris whereby Elm agreed to continue to provide certain shared services (the "**Shared Services**") to Morris in exchange for payment of management fees (the "**Management Fees**"). Concurrently, Morris and Elm signed a general security agreement to grant Elm security for payment of the Management Fees. The Shared Services Agreement memorialized the existing relationship between Elm and Morris. Elm has advised the Proposal Trustee that Morris would not have been in a position to continue operations without the support of Elm provided pursuant to the Shared Services.

16. In August 2025, Morris made a payment totaling approximately $2.9 million (the "**Debt Repayment**") to Elm on account of its obligations with respect to the Shared Services Agreement. Specifically, according to representatives of Elm, the Shared Services it provided to Morris were comprised primarily of an allocation of Elm employee payroll costs on account of general management, financial management, HR management, IT support, as well as other operational and administrative services provided by Elm to Morris. Morris Marketing had made several payments to Elm in the past for Shared Services in addition to making the Debt Repayment.

Financial Results

17. Morris' internally prepared financial statements provided by Elm indicate that for its fiscal years ended December 31, 2023, December 31, 2024, and period ending September 30, 2025, it:

    i) incurred net losses of approximately $3,016,911, $245,517 and $3,016,278 respectively; and

    ii) had total debt of approximately $3.6 million (in 2023), $3.2 million (in 2024), and $2.8 million (in 2025).

CAUSES OF FINANCIAL DIFFICULTIES

18. The Debtor's Print Operations and CRM businesses have been in decline for several years with subscriber numbers falling for over two years. In addition, the Print Operations generated negative cash flow for several years due to declining revenue and rising costs and, according to Elm, the Debtor was unable to generate sufficient cash flow to support its debt obligations. Other negative factors affecting the real estate industry have only exacerbated the Debtor's cash flow challenges.

19. According to Elm, the Debtor has not had sufficient cash flow to invest in modernizing its infrastructure, websites, or processes since COVID disrupted business operations and demand in early 2020 and has since been reliant on aging hardware and software. For example, the website user interfaces and processes used to engage customers are out of date and need modernizing to enable the Debtor to compete effectively.

20. In response, the Debtor implemented certain restructuring and/or cost reduction efforts to reduce its monthly cash burn and increase liquidity. Over the past year, the following measures were implemented: (i) *Hiring freeze* - open positions have not been backfilled since early 2025; and (ii) *Compensation freeze* - the Debtor has not given out raises or promoted employees since early 2025. Despite its efforts, the Debtor continued to experience a deteriorating cash flow position and Morris filed its NOI on the Filing Date.

21. Since the Filing Date, the Debtor has commenced an operational restructuring (the "**Operational Restructuring**") led by Mr. Beeman. As of the date of this Report the Debtor's Operational Restructuring has included ceasing the operations of the unprofitable Print Operations. Going forward the Operation Restructuring plan includes the following measures:

    i) terminating the employment of all Morris staff, and liquidating the contents of the premises, by the end of January 2026;

ii) vacating the Toronto premises by the end of January 2026; and

iii) transferring the IXACT Contact CRM technology to a cloud-based datacenter under the control of Elm in order for the IXACT business segment to continue.

CREDITORS

Employees – Unsecured Debt

22. On the Filing Date, there were approximately 30 employees of the Debtor. The Debtor has continued to pay employee wages up until the date of their respective terminations and has entered into retention agreements with some of the key employees needed to implement the Operational Restructuring. The Debtor has calculated employee unsecured termination claims totalling approximately $1.1 million based on the Ontario *Employment Standards Act*.

Trade – Unsecured Debt

23. In addition, there are approximately 50 general unsecured unrelated Creditors with claims totaling approximately $1.0 million, including Xerox Canada Ltd., which advised the Proposal Trustee that its claim will amount to approximately $800,000.

Related Party Debt

24. Elm advised the Proposal Trustee that it has a Related Party Claim totalling approximately $5.8 million resulting from unpaid Management Fees for the Shared Services it provided to Morris ("**Elm Claim**"). Elm provided the Proposal Trustee with a calculation of its claim using a transfer pricing methodology, which allocates the Shared Services based on its share of revenue among a group of Elm related companies.

25. In recent months, the Management Fees for Shared Services (based on the allocation charge to Morris) have continued to accrue in the amount of approximately $550,000 per month. The Elm payable of $5.8 million is net of the Debt Repayment.

THE AMENDED PROPOSAL

Class

26. For the purpose of the Amended Proposal, the Creditors of the Debtor are comprised of a single class, being the Affected Creditor Class (as defined in the Amended Proposal).

27. For greater certainty, the Creditors entitled to vote in the Affected Creditor Class consist of: (i) Convenience Class Creditors; (ii) Priority Creditors pursuant to the BIA (which include Crown Claims and Employee Preferred Claims); and (iii) claims of His Majesty in the right of Canada or any province for all amounts other than Crown Claims.

28. The Affected Creditor Class specifically excludes "**Unaffected Claims**", which are comprised of: (i) Post-Filing Claims; (ii) all Administrative Fees and Expenses; (iii) any Secured Claims; and (iv) any Related Party Claims, including the Elm Claim.

Convenience Class Creditors

29. The Amended Proposal includes the option for Affected Creditors with claims greater than $4,000 to elect to be included in the convenience class ("**Convenience Class**") and receive the lesser of their Proven Claim amount and $4,000. To elect to the Convenience Class, Affected Creditors with claims greater than $4,000 are required to make an irrevocable election on the Convenience Class election form provided ("**Convenience Class Election Form**"). The election must be completed and submitted to the Proposal Trustee by no later than 48 hours prior to the start time of the Creditors' Meeting on January 5, 2026, at 3:00 p.m. (Toronto time).

30. For Affected Creditors with claims greater than $4,000 that choose to elect to the Convenience Class, the holder of such Proven Claim shall be deemed to amend the portion of its Claim that is greater than $4,000 and reduce the amount of such Claim to the maximum of $4,000 in the aggregate. Such Creditors who elect to be included in the Convenience Class will receive a distribution of $4,000.

31. For Affected Creditors with claims less than or equal to $4,000, such Creditors will be deemed to be a part of the Convenience Class and they do not need to file a Convenience Class Election Form.

32. Each Convenience Class Creditor shall be deemed to vote in favour of the Amended Proposal in respect of its Convenience Class Claim and as part of the Affected Creditor Class unless such Creditor shall have delivered a Proxy or Voting Letter voting against the Amended Proposal.

Treatment of Creditors in the Amended Proposal

33. **Crown Priority Claims** - As at the Filing Date, there are no known Claims in respect of Crown Claims.

34. **Secured Creditors** are not Affected Creditors for the purposes of the Amended Proposal. The Secured Creditors are not entitled to vote on the Amended Proposal or receive any distributions under the Amended Proposal.

35. **Priority Claims** shall vote as part of the Affected Creditor Class and shall be paid in full without interest out of the Proposal Consideration (defined below), in priority to Affected Creditors in accordance with the scheme of distribution set forth in the BIA.

36. **Affected Creditors** shall vote as part of the Affected Creditor Class and after satisfaction of any Convenience Class Claims and Preferred Claims, will be paid from the Proposal Consideration on a *pro rata* basis as provided for in paragraph 3.2 of the Amended Proposal and summarized below.

37. **Related Party Creditors** are not part of the Affected Creditor Class for the purposes of the Proposal and as such are not entitled to vote on the Amended Proposal and will not be paid any distribution under the Amended Proposal.

Funding the Amended Proposal

38. The Amended Proposal provides for the creation of a $1,000,000 dividend pool (the "**Dividend Pool**") to be funded by the Debtor and Elm to the Proposal Trustee following the issuance of the Approval Order (the "**Effective Date**"), which will be made available to eligible Affected Creditors with Proven Claims. *Distributions in the Amended Proposal*

Unsecured Creditors

39. All distributions made by the Proposal Trustee pursuant to the Amended Proposal are subject to the Superintendent of Bankruptcy's levy (the "**Superintendent's Levy**") in accordance with section 147 of the BIA.

40. For further clarity, the Dividend Pool will be distributed by the Proposal Trustee in the following order of priority:

    i) *Bankruptcy Reserve* - To establish a reserve of $40,000 to be held in trust by the Proposal Trustee, which amount shall be used to fund the administrative costs of a bankruptcy of the

Debtor if the Amended Proposal is annulled, and the Debtor becomes bankrupt, failing which such amount shall be distributed to the Creditors.

ii) *Proven Claims of Priority Creditors* – To pay all Unsecured Claims of Affected Creditors with Proven Claims that are Priority Claims which are entitled to be paid in priority to other Unsecured Creditors as provided for in Section 136 of the BIA.

iii) *Proven Claims of Convenience Class Creditors* - To pay all Convenience Class Creditors, including any Affected Creditor with a Proven Claim that submits a Convenience Class Election Form.

iv) *Proven Claims of Affected Creditors other than Affected Creditors with a Convenience Class Claim*– The remainder will be distributed among the other Affected Creditors with Proven Claims, who will share *pro rata* out of the funds available after payment of the foregoing.

OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST

41. The Debtor, with the assistance of the Proposal Trustee, has prepared a cash flow forecast for the period from November 14, 2025 to February 14, 2026 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as Appendix "C" to this Report. The Cash Flow Forecast has been prepared by Management and representatives of Elm for the purpose of this motion, using probable and hypothetical assumptions set out in notes 1 to 5 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over a ten-week forecast period in Canadian dollars.

42. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity to fund its expenses in the Proposal Proceeding through to February 14, 2026.

43. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by Management and certain representatives of Elm. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by representatives of Elm for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.

44. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:

i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;

ii) as at the date of this Report, the probable assumptions developed by Management and representatives of Elm are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or

iii) the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.

45. As described above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and the variations may be material.

46. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

LIQUIDATION ANALYSIS / ESTIMATED RECOVERY IN A LIQUIDATION

Liquidation Analysis

47. In the event that the Amended Proposal is not accepted by the Creditors and the Debtor is deemed bankrupt, the Proposal Trustee has prepared a liquidation analysis (the "**Liquidation Analysis**"), which estimates the value of the Debtor's assets in a liquidation scenario.

48. The Proposal Trustee has relied on representations of Management, representations made by Elm management and a liquidation proposal for the sale of the Debtor's equipment obtained by Morris, in determining the estimated liquidation value of the Debtor's assets. The Liquidation Analysis was prepared at a point in time being December 10, 2025. Accordingly, in the event the Debtor were to become bankrupt, and a liquidation was conducted, the realizable value of the assets at that time may be materially different than presented below. Based on the Liquidation Analysis included as **Appendix "D"**, the net cash flow to be realized from a liquidation of the Debtor's assets is estimated to be approximately $4.8 million.

Estimated Recovery – Proposal vs. Liquidation Scenarios

i) The following chart (which is rounded to the nearest thousands of Canadian dollars) sets out the expected recovery to Affected Creditors under a liquidation/bankruptcy scenario and the Proposal scenario. As summarized below, the net estimated recovery to: the Unsecured Creditors in a liquidation/bankruptcy scenario is **38.5%** versus approximately **40.3%** in the Proposal scenario. Further, the Amended Proposal provides certainty regarding the amount and timing of a distribution to Affected Creditors. Both the amount and timing of a distribution in a liquidation/bankruptcy scenario are uncertain.

Estimated Recovery in a Liquidation Scenario	
Liquidation Value of Assets	4,840
Less: Secured Claim (note 2)	(1,416)
Less: Estimated Professional fees and expenses (note 3)	(150)
Less: Superintendent's Levy (note 4)	(171)
Net amount available for Affected Creditors	3,103
Estimated Claims of Affected Creditors, including Related Party creditors (note 5)	8,055
Estimated Recovery to Affected Creditors, including Related Party creditors	38.5%

Estimated Recovery in a Proposal Scenario	
Proposal Consideration (note 1)	1,000
Less: Secured Claim (note 2)	n/a
Less: Estimated Professional fees and expenses (note 3)	(60)
Less: Superintendent's Levy (note 4)	(47)
Net amount available for Affected Creditors	893
Estimated Claims of Affected Creditors	2,217
Estimated Recovery to Affeted Creditors, excluding Related Party creditors	40.3%

Notes to Proposal vs. Liquidation Scenarios:

1. *The Dividend Pool amount is $1,000,000, and payable on the Effective Date, in accordance with the terms of the Amended Proposal.*

2. *In the proposal scenario, Claims of Related Persons will receive no distributions pursuant to the Amended Proposal. Related Party Claims are Unaffected Claims in the Amended Proposal. However, if there is a liquidation, the Debtor's Related Party, Elm, is expected to file a secured claim on account of the Shared Services provided by Elm after Elm registered its security and through to the Filing Date which totals approximately $1.4 million and, in addition, Elm will submit an Unsecured Claim for approximately $5.8 million and share pro rata in the available proceeds with the other Affected Creditors.*

3. *This amount represents a provision for the estimated professional fees to be incurred during the bankruptcy proceedings, which includes: (i) the estimated cost to be incurred by the bankruptcy trustee and its counsel to realize on the CRM technology; (ii) retention of certain services from Elm or another third party to maintain the technology in an idle state pending a sale process; and (iii)*

insurance and other sundry costs. In the case of a liquidation, the professional fees would be paid in full in priority to Affected Creditors.

In the case of a proposal, in the analysis above, the Administrative Fees and Expenses include the cost of monitoring the Proposal and completing the distributions paid from the Dividend Pool to the Creditors. Any Professional Fees incurred by the professionals up to Court Approval of the Amended Proposal are assumed to be paid by Morris out of cash on hand.

4. *The Superintendent's Levy is applicable to payments made to Affected Creditors and is calculated as 5% of each payment.*

5. *The Creditor pool in the Amended Proposal excludes the Elm Claim as it is not allowed to receive any distributions in the Amended Proposal as a Related Party. However, in a bankruptcy/liquidation scenario, Elm would receive its pro rata share of the distributions on the unsecured portion of its claim together with other Affected Creditors.*

   In addition, the Affected Creditor pool in the Amended Proposal includes Creditors that will elect to be part of the Convenience Class. As such, these creditors will in most cases receive a greater percentage recovery as compared to the other Affected Creditors, and in certain cases 100%, depending on the value of their claims. However, the expectation is that the Convenience Class Creditors will be less than 5% on the dollar value of Affected Claims and, therefore, will not have a material dollar effect on recoveries of Affected Creditors in the Amended Proposal.

CREDITORS' MEETING/VOTING PROCEDURE AND CLASSES OF CREDITORS

Creditors' Meeting/Voting Procedure

49. **The Creditors' Meeting to consider the Amended Proposal will be held by video conference on January 5, 2026 at 3:00 p.m. (Toronto Time). Details relating to the filing of claims, and other documents, prior to the Creditors' Meeting, are outlined below and will be mailed to each known Creditor, or their duly appointed representative.**

50. The primary purpose of the Creditors' Meeting is to permit Creditors to consider the acceptance or rejection of the Amended Proposal. For the Amended Proposal to be accepted, at least two-thirds (66.67%) of Affected Creditors by dollar value, and more than 50% of Affected Creditors by number, must vote in favour of the Amended Proposal at the Creditors' Meeting either in person, by proxy or by mailing a voting letter to the Proposal Trustee in advance of the Creditors' Meeting. Only Affected Creditors who vote are counted for the purpose of determining whether the necessary thresholds have been reached.

51. **To be eligible to vote on the Amended Proposal, Affected Creditors must have filed with the Proposal Trustee a <u>Proof of Claim form</u> signed and witnessed as required and accompanied by a <u>statement of account or affidavit</u> in support of the Claim. Those Creditors who do not intend to have a personal representative at the Creditors' Meeting may complete and submit**

the voting letter which is enclosed in the creditor package prior to the Creditors' Meeting indicating their vote for or against the acceptance of the Amended Proposal. The Proposal Trustee has also enclosed a form of proxy should a Creditor wish to appoint a proxy to represent them at the Creditors' Meeting. If the Amended Proposal is not accepted by the required statutory majorities of Affected Creditors, the Debtor will be deemed bankrupt.

52. **To be eligible to participate in the Convenience Class, Creditors with claims greater than $4,000 must also complete the Convenience Class Election Form. This must be done by completing and returning the Convenience Class Election Form to the Proposal Trustee by no later than 48 hours in advance of the Creditors' Meeting on January 5, 2025 at 3:00 p.m. (Toronto Time).**

53. If the Amended Proposal is accepted by the required statutory majorities referenced above, the Proposal Trustee will then make an application to the Court for approval of the Amended Proposal. If the Court provides such approval, the Amended Proposal will be binding on all Creditors and such Creditors, and their respective heirs, executors, administrators, successors and assigns, shall have no further Claim against the Debtor other than for the distributions provided in the Amended Proposal.

Single Class of Creditors

54. As described above, for purposes of considering and voting on, the Amended Proposal, and receiving a distribution pursuant to the Amended Proposal, the Affected Creditors are grouped in one (1) class.

55. The Amended Proposal does not compromise the following Unaffected Claims:

a) Post-Filing Claims arising from the supply of goods or services delivered to the Debtor on or after the Filing Date, November 14, 2025;

b) All Administrative Fees and Expenses;

c) Any Secured Claims; and

d) Any Related Party Claims.

56. Distributions to Affected Creditors with Proven Claims will be made as described in the "Distribution" section of this Report.

Releases

57. Effective on the Maturity Date, the Amended Proposal provides for releases (the "**Releases**") in favour of:

    i) the Directors of the Debtor;

    ii) the Debtor; and

    iii) Elm

(collectively the "**Released Parties**").

58. The Releases in favour of the Released Parties are for all Affected Claims that may have arisen against those parties before the Filing Date. The Release of the Directors of the Debtor relate to obligations of the Debtor where such director is by law liable in its capacity as director for payment of such obligations. Nothing in the Amended Proposal releases a claim against a Director that cannot be compromised against such individual pursuant to Section 50(14) of the BIA.

59. The Releases are an important and necessary aspect of the Amended Proposal. Elm has only agreed to contribute to the Dividend Pool and forego receipt of dividends payable therefrom, greatly enhancing the recovery of the other Affected Creditors, in exchange for the Affected Creditors agreeing to the Releases.

60. The Releases also ensure that the Dividend Pool can be distributed in the Amended Proposal without a concern about any future claims against the Debtor, whether directly or as claims against its Directors.

ALTERNATIVES TO THE PROPOSAL

61. At the Creditors' Meeting, the Creditors are being asked by the Proposal Trustee to choose between two alternatives, namely accepting the Amended Proposal, or rejecting the Amended Proposal, which would result in the Debtor being deemed bankrupt.

62. For the reasons described above, the Proposal Trustee is of the view that voting in favour of the Proposal will produce a more favourable result for Affected Creditors of the Debtor than would the liquidation of its assets in a bankruptcy.

CONDUCT OF THE DEBTOR

Preference Transactions and Transfers at Undervalue

63. The Proposal contemplates that Sections 91-101 of the BIA shall not apply in connection with this Proposal and, as a result, the Proposal Trustee shall have no responsibility, liability or authority whatsoever under the operation of those provisions.

64. If the Debtor was to become bankrupt, and either preference transactions or transfers at undervalue did exist, it is possible that some of these transactions could be found to be void through Court proceedings.

Conduct Post-Filing

65. Pursuant to Section 50(10) of the BIA, the Proposal Trustee is required to monitor the business and financial affairs of the Debtor throughout the Proposal Proceeding, including until the Amended Proposal is approved by the Court.

66. During the NOI period, the Debtor worked diligently with the Proposal Trustee to prepare its Amended Proposal, manage costs and continue operations. The Debtor continues to work diligently, in consultation with the Proposal Trustee, to implement and complete the Amended Proposal.

SUMMARY COMMENTS/RECOMMENDATION

67. For the reasons set out in this Report, it is the Proposal Trustee's opinion that:

    i) the Amended Proposal provides for greater recovery and certainty to Affected Creditors of Morris than they would receive in a liquidation of Morris' assets in a bankruptcy proceeding; and

    ii) acceptance of the Amended Proposal is in the best interest of the Affected Creditors. If the Affected Creditors reject the Amended Proposal, Morris will be deemed automatically bankrupt, and it is uncertain what the actual realizable value of the assets would ultimately be in a bankruptcy.

68. Accordingly, the Proposal Trustee recommends that Affected Creditors vote in favour of the Amended Proposal.

Yours very truly,

DODICK LANDAU INC.
In its capacity as the Proposal Trustee of
Morris Marketing Group Inc. and not
in its personal or corporate capacity.

Per: 

Rahn Dodick, CPA, CA, CIRP, LIT
President

APPENDIX “A”

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | Bureau du surintendant des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-3298880
Estate No.: 31-3298880

In the Matter of the Notice of Intention to make a proposal of:

Morris Marketing Group Inc.

Insolvent Person

DODICK LANDAU INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: November 14, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 17, 2025, 14:05

E-File/Dépôt Electronique

Official Receiver
151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX “B”

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | Bureau du surintendant des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-3298880
Estate No.: 31-3298880

In the Matter of the Proposal of:

Morris Marketing Group Inc.

Debtor

DODICK LANDAU INC.

Licensed Insolvency Trustee

Date of Proposal:	December 12, 2025	Security:	$
Meeting of Creditors:	January 05, 2026, 15:00 https://us06web.zoom.us/j/81384990525?pwd=aX1pbY2WabfvSb1vd4cjjIEdBXqDbV.1&jst Virtual Meeting, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforenamed debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforenamed trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: December 15, 2025, 09:48

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX “C”

Morris Marketing Group Inc.
Weekly Cash Flow Forecast
For the period from: December 7, 2025
$Cdn

Week Ending	Notes	13-Dec-25	20-Dec-25	27-Dec-25	03-Jan-26	10-Jan-26	17-Jan-26	24-Jan-26	31-Jan-26	07-Feb-26	14-Feb-26	TOTAL
Receipts	1	58,000	58,000	58,000	122,000	58,000	58,000	58,000	58,000	122,000	58,000	708,000
Disbursements												
Payroll	2	171,871	-	63,165	-	35,665	-	35,665	-	-	246,774	553,139
Occupany Costs	3	-	15,338	672	-	36,382	4,497	5,100	672	36,382	1,500	100,543
Professional fees	4	-	72,300	60,000	-	-	4,500	91,000	-	2,000	2,500	232,300
Other Operating Expense	5	28,825	158,393	27,624	5,592	24,210	48,118	3,017	15,000	17,863	66,039	394,681
Total Disbursements		200,696	246,031	151,461	5,592	96,257	57,115	134,782	15,672	56,245	316,813	1,280,663
Net Cash Flow		(142,696)	(188,031)	(93,461)	116,408	(38,257)	885	(76,782)	42,328	65,755	(258,813)	(572,663)
Bank Balance												
Opening Bank Balance		641,349	498,653	310,621	217,161	333,569	295,312	296,197	219,415	261,743	327,498	641,349
Add: Net Cash Flow		(142,696)	(188,031)	(93,461)	116,408	(38,257)	885	(76,782)	42,328	65,755	(258,813)	(572,663)
Closing Bank Balance		498,653	310,621	217,161	333,569	295,312	296,197	219,415	261,743	327,498	68,685	68,685

MORRIS MARKETING GROUP INC.
MAJOR ASSUMPTIONS
CASH FLOW STATEMENT
FOR THE PERIOD NOVEMBER 14, 2025 TO FEBRUARY 14, 2026 (THE "PERIOD")

Morris Marketing Group Inc. ("**Morris**") operates a printing facility, and client relationship management ("**CRM**") technology, as marketing solutions designed for real estate professionals.

The company filed a Notice of Intention to Make a Proposal ("**NOI**") on November 14, 2025 ("**NOI Filing**"). Morris' cash flow projection was prepared by management of Morris ("**Management**").

The cash flow projection is based on the hypotheses that Morris:

a. will be completing a proposal;
b. the print portion of the business will be wound down with final print production completed by December 13, 2025;
c. the IXACT Contact business, which operates the CRM for real estate agents marketing tools including email, social and a customer relationship management software tool ("**Ixact**") will continue to be offered in the normal course by Elm, Morris' parent company; and
d. Morris will vacate its leased premises by early February or sooner.

Receipts:

1. Customer Collections

Cash receipts are based on historic cash receipts. Specifically, it is assumed that Morris customers that exclusively subscribe to Ixact will make their payments in the normal course over the Period and an assumption that 75% of existing customers that currently subscribe to Ixact and place print orders will remain with the business and become Ixact only customers.

Disbursements:

2. Cost of Labour

Morris has retained a subset of its staff to complete final print orders and to assist in the orderly wind down of its operations. In total 15 staff have been retained at their regular wage rates. In addition, the retained staff were offered stay bonus equivalents to 20-25% of their annual salary or wages.

The final print runs are forecast to be complete by the week ending December 13, 2025. The forecast contemplates that eight employees will be done work by December 13, 2025, 1 employee will be done work by December 27, 2025 and that these employees will receive their final pay together with their stay bonus.

The forecast further assumes that six staff will remain once production is complete in order to wind down operations. Management expects this process to be completed by February 15, 2026 or sooner. The forecast assumes that a final regular pay together with their stay bonus will be issued to the remaining six staff by the week ending February 14, 2026.

Morris' payroll is processed by a third-party payroll provider.

3. Occupancy Costs

Includes rent and utilities for the leased premises in Toronto.

4. Other Operating Costs

Includes the full scope of technical fees that are paid to support the Ixact application and the billing platform, freight costs for final print runs, software expenses, credit card processing fees, ongoing marketing for Ixact, and monthly HST remittances. HST is remitted monthly to CRA.

5. Professional fees

During the Period, legal fees are forecast for Morris' legal counsel, as well as the fees of the Proposal Trustee and its legal counsel, after applying any retainers received prior to the start of the proceeding. These fees are forecast to total approximately $230,000.

APPENDIX “D”

Morris Marketing Group Inc. ("Morris")
Liquidation Analysis
$Cdn

Assets:	**Notes**	**Amounts**
IXACT SaaS Digital Platform ("IXACT")	1	1,800,000
Management fee paydown reversal	2	2,951,383
Cash on hand	3	68,685
Equipment	4	20,000
Assets - Liquidation Value		**4,840,068**

Notes:

1. Estimated liquidation value of the IXACT SaaS Digital CRM Platform based on an informal valuation undertaken by the Proposal Trustee using financial and subscription information received from Morris and Elm. The informal valuation assumes the IXACT technology, and the related book of business, is sold by way of a sales process carried out by a Trustee in Bankruptcy.

2. Reversal of the Debt Repayment made by Morris to Elm in August 2025 under the assumption that it is considered a preference payment and should be reversed in a bankruptcy. As the offer made to the unsecured creditors in the Proposal proceeding must be greater than what would be realized by a Trustee in Bankruptcy in a liquidation, this amount is being reversed and added to the value of the assets in the liquidation calculation.

3. Estimated cash on hand as at February 14, 2026 after completion of final print runs and vacating Morris' leased premises based on the Cash Flow Forecast, included as Appendix "C".

4. Net Minimum Guarantee for the fixed assets and equipment located at Morris' leased premises per liquidation proposal obtained by Proposal Trustee.