



**Report of
KSV Restructuring Inc.
as Proposed Receiver of
Juch-Tech Inc.**

December 8, 2020

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COURT FILE NO.: ●

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF s. 243 (1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

BETWEEN:

NEW SKIES SATELLITES B.V.

APPLICANT

- AND -

JUCH-TECH INC.

RESPONDENT

REPORT OF
KSV RESTRUCTURING INC.
AS PROPOSED RECEIVER

DECEMBER 8, 2020

1.0 Introduction

1. This report (the “Report”) is filed by KSV Restructuring Inc. (“KSV”) as proposed receiver of the assets, undertaking and property of Juch-Tech Inc. (“Juch-Tech” or the “Company”).
2. KSV understands that New Skies Satellites B.V. (“New Skies”), the Company’s principal secured creditor, intends to bring a receivership application before the Ontario Superior Court of Justice (Commercial List) (the “Court”) for an order (the “Receivership Order”) placing the Company in receivership and appointing KSV as receiver of the Company’s business and assets.
3. KSV has consented to act as receiver should the Court grant the Receivership Order.
4. The initial purpose of the receivership proceedings is to preserve and protect the Company’s assets and to perform an investigation into the Company’s operations and financial position. If appointed receiver, KSV intends to file a preliminary report setting out its findings by no later than January 15, 2021. The scope of the receiver’s authority under Receivership Order has been scaled back from the model receivership order in order to reflect the limited scope of the receiver’s mandate, pending further order of the Court.

1.1 KSV's Prior Mandate

1. Pursuant to an engagement letter dated December 3, 2020, KSV was engaged by New Skies to assist Osler, Hoskin & Harcourt LLP ("Osler"), legal counsel to New Skies, to prepare receivership application materials and to attempt to determine the current status of the Company's business.
2. This Report provides a summary of KSV's findings concerning the Company since it was first contacted by Osler on December 1, 2020.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are in US dollars.

2.0 Background

1. Juch-Tech provides satellite broadcast and internet transmission and uplink services. According to its LinkedIn profile, Juch-Tech harnesses bandwidth on SES World Skies' satellites to deliver broadband services to small businesses and residents from South Africa to Eastern Europe.
2. Osler has advised KSV that:
 - a. as at November 4, 2020, New Skies is owed \$10,418,045.48 by the Company, of which \$5,216,616.39 is secured and \$5,201,429.09 is unsecured. Interest and costs continue to accrue;
 - b. on November 4, 2020, New Skies demanded, in writing, payment of the obligations owing by the Company (the "Demand") and issued a Notice of Intention to Enforce Security pursuant to Section 244 of *The Bankruptcy and Insolvency Act*. The Demand was a refresh of a demand letter and Section 244 notice originally issued on February 20, 2020 (the "Original Demand"). On March 20, 2020, New Skies requested from Juch-Tech a detailed summary of the scope and value of the collateral securing the secured obligations. New Skies also sent Notices of Unauthorized Use to the Company on May 10, May 15, May 21 and August 23, 2019;
 - c. the Company has not responded to the Original Demand or the Demand;
 - d. the Company is believed to have two other secured creditors: TD Canada Trust ("TD") (which has advised New Skies that it is owed approximately C\$100,000) and The Hamilton Teleport Ltd. ("Hamilton Teleport"), which appears to be a related party. The amount owing to Hamilton Teleport, if any, is unknown. Hamilton Teleport did not respond to a request for information issued by New Skies to Hamilton Teleport under the *Personal Property Security Act (Ontario)* ("PPSA") on April 7, 2020;
 - e. the Company formerly operated from 50 Green Mountain Road West in Stoney Creek, ON ("Green Mountain Property"); and
 - f. the Company appears to be operating from a rural location at 10th Rd E, Stoney Creek, ON (the "10th Road Property").

3. The Company's principal is believed to be Walter Juchniewicz.
4. The Company's LinkedIn profile provides the following description:

“Juch-Tech is a Canada-based teleport and ISP, is harnessing bandwidth on SES WORLD SKIES' NSS-10 satellite to deliver broadband services to small businesses and residents from South Africa to Eastern Europe. Capacity is uplinked from Juch Tech's Hamilton, Ontario-based teleport facilities and delivered over the high-powered C-band spacecraft in the 322.5°.

In addition Juch-Tech provides 'Satellite and Internet based Broadcasting Services', including cost effective video to the edge solutions. Juch-Tech can also lead your organization in the switchover to IPv6, as the IPv4 addresses become harder to find.

Juch Tech is a [sic] innovative company that provides managed connectivity to unconnected and under-served places around the world.”

3.0 KSV's Preliminary Activities

1. On December 2, 2020, following discussions with Osler, KSV performed internet searches to obtain background information about the Company.
2. The internet searches identified pictures showing satellite dishes that are believed to be owned by the Company and which appear to have been relocated from the Green Mountain Property to the 10th Road Property.
3. The Company's website is currently unavailable. Hamilton Teleport does not appear to have a website.
4. The 10th Road Property is listed online as the Company's address.
5. KSV identified a website for Net Neutral Inc. (“Net Neutral”), which appears to be a related entity operating from the 10th Road Property.
6. KSV performed bankruptcy searches of the Company and Hamilton Teleport. Neither company appears to be bankrupt.

Green Mountain Property

7. A “street view” on Google maps shows images of this property as recent as June 2019 and at various dates as far back as June 2009. These images show several buildings on the property and multiple satellite dishes. Sample images are provided below.

June 2009 (street view):



June 2019 (aerial view):



8. KSV's internet searches also identified a recent picture with a Development Notice (the "Development Notice") posted on the property regarding applications for a proposed zoning by-law amendment to permit the development of 189 townhouses and private greenspace. The Development Notice identifies the subject lands as 50 Green Mountain Road West, Stoney Creek and the owner as NHDG (Green Mountain) Inc. ("NHDG"). NHDG does not appear to be related to the Company.

3.1 KSV Site Visit

1. On December 2, 2020, a KSV associate (the “Associate”) travelled to Stoney Creek to determine if the Company is continuing to operate.

Green Mountain Property

2. The Associate first attended at the Green Mountain Property. As reflected in the pictures below, the Green Mountain Property is presently vacant. No buildings, satellite dishes or other equipment are located on the property; the Development Notice was also photographed.




CITY OF HAMILTON
PUBLIC NOTICE
OF COMPLETE APPLICATIONS FOR A ZONING BY-LAW AMENDMENT
AND PUBLIC MEETING OF THE PLANNING COMMITTEE

OWNER: NHDG (Green Mountain) Inc.
(c/o Joe Giacomdonato)
400-69 John Street South
Hamilton, ON L8N 2B9

APPLICANT: GSP Group
(c/o Sarah Knoll)
200-162 Locke Street South
Hamilton, ON L8P 4A9

SUBJECT LANDS: 50 Green Mountain Road West, Stoney Creek (Ward 9)

PURPOSE AND EFFECT OF THE PROPOSED ZONING BY-LAW AMENDMENT
The purpose and effect of this proposed Zoning By-law, Amendment is to change the Site's current zoning from the Neighbourhood Development "ND" Zone to a modified Multiple Residential "RM3" Zone in order to permit the development of 189 dwelling units, including 95 two storey townhouses, 94 three storey, back to back townhouses (maisonettes) and private amenity greenspace.



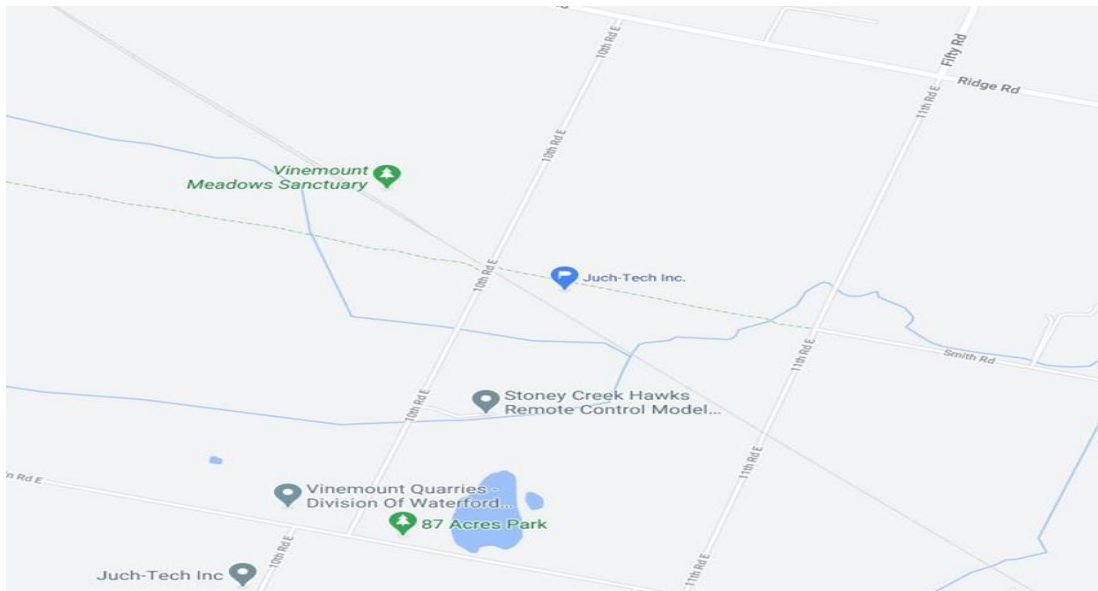
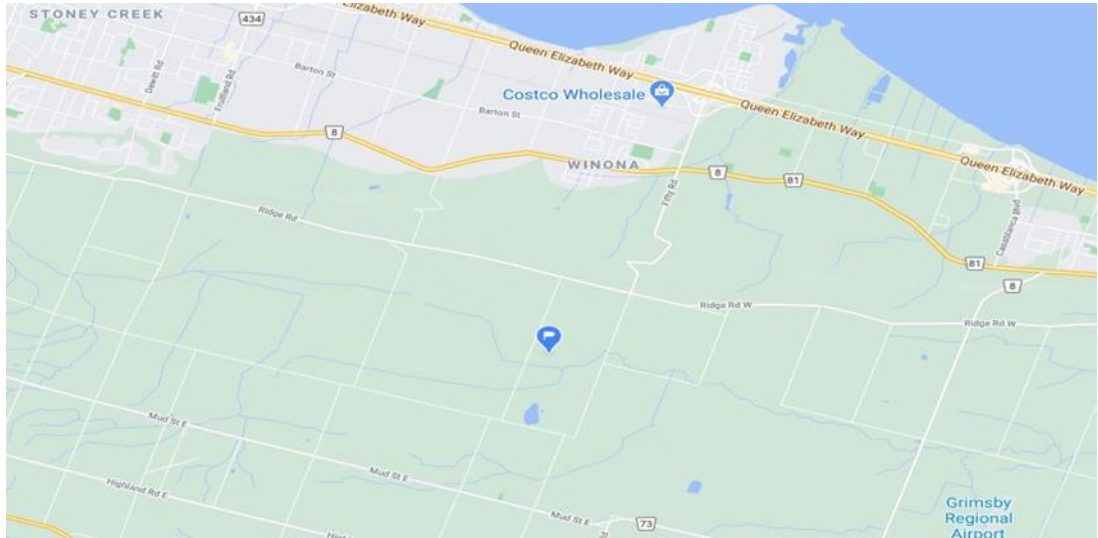
PUBLIC MEETING
TO BE ANNOUNCED

DATE: 9:30 a.m.
TIME: Council Chambers, 2nd Floor
LOCATION: City Hall
71 Main Street West, Hamilton

Inquiries Refer to File(s): ZAC-17-077
For where and when a copy of the material about the proposed By-law to amend the Zoning By-law will be available for public inspection; or for a copy of the Notice of Complete Applications which was mailed to all land owners within 120 metres of the subject lands, please contact Jacob Larsen at 905.546.2424 ext. 5277 or by e-mail at Jacob.Larsen@hamilton.ca.
For more information about this matter, including information about preserving your appeal rights, contact Jacob Larsen at 905.546.2424 ext. 5277 or by e-mail at Jacob.Larsen@hamilton.ca.
Collection of Information
Information respecting this application is being collected under the authority of the Planning Act, R.S.O. 1990, c. P.13. All comments and opinions submitted to the City of Hamilton on this matter, including the name, address and contact information of persons submitting comments and/or opinions, will become part of the public record and will be made available to the Applicant and the general public and will appear on the City's website unless you expressly request within your communication that City remove your personal information.

10th Road Property

- Following his attendance at the Green Mountain Property, the Associate located a field with numerous satellite dishes and other equipment located near the intersection of 10th Road East and Dofasco 2000 Trail (the “Operating Site”). This is believed to be the 10th Road Property¹. The mapped location of the Operating Site is provided below.



¹ An internet search of the 10th Road Property shows a residential home, which is located near the Operating Site. KSV believes this may be due to a lack of precision in Google maps when locating rural addresses.

- Images of the Operating Site dated October 2019 show several satellite dishes and other equipment at that location. One such image is included below. As a result of this photograph and the photograph in Section 3.0 (paragraph 7 above), it appears that the satellite dishes were moved from the Green Mountain Property to the 10th Road Property between June 2019 and October 2019.



- The Associate observed a few people working on site at the 10th Road Property. The Associate briefly spoke with one of these men, who identified himself as a contractor. Most significantly, the contractor individual confirmed that Juch-Tech is operating from the 10th Road Property location. The Associate did not identify himself when speaking with the contractor.
- Pictures of the Operating Site taken by the Associate are provided below.





4.0 Affiliated Persons and Companies

1. KSV and Osler performed PPSA, corporate and title searches on various affiliated companies and real property identified during KSV's investigations. The searches identified several individuals and entities that appear to be related to the Company and to Mr. Juchniewicz operating from the 10th Road Property and sharing the same registered office, being 335 Greencedar Drive in Hamilton, Ontario (the "Greencedar Property"). The Greencedar Property appears to be a residential address. A summary of the searches is provided below:

	The Company	Hamilton Teleport	Neutral Skies Inc.	Net Neutral
Description	Satellite and internet broadcasting services	Similar to the Company	Similar to the Company ²	Portable data centre services
Relation to the Company	N/A	Subsidiary	Sister company (based on Net Neutral's website)	Sister company (based on Net Neutral's website)
Property Address	Previously: Green Mountain Property ³ Currently: 10 th Road Property	10 th Road Property (based on internet search)	Green Mountain Property (based on internet search)	10 th Road Property (based on website)
Current Property Owner	10 th Road Property: Hamilton Teleport		Green Mountain Property: NHDG	10 th Road Property: Hamilton Teleport
Registered Office Address	Address: Greencedar Property Owner: Linda Juchniewicz			
Principals ⁴	CEO: Walt Juchniewicz Sole Director: W. Juchniewicz	Unknown Sole Director: W. Juchniewicz	CEO: Nicole Juchniewicz Sole Director: Włodzimierz (Walt) Juchniewicz	Sole Director: Włodzimierz (Walt) Juchniewicz
Secured Creditors	New Skies: ~\$10.4 million TD: ~CAD\$100K Hamilton Teleport: unknown	C\$500K charge registered against 600 10 th Road E., Stoney Creek, in favor of Linda Juchniewicz Equipment financing/lease over vehicles and a forklift	None	None

² Neutral Skies' international telecommunications services license was revoked by Canadian Radio-television and Telecommunications Commission on March 4, 2019.

³ According to the parcel register, NHDG has owned the Green Mountain Property since November 29, 2016.

⁴ Based on federal corporation searches and other internet searches.

2. The Greencedar address was also used by the Company as its address in a creditor listing in the Chapter 11 proceedings of Intelsat S.A. et al., as reflected below.

Jsat International Inc.	Attn: Mr. Ryuji Sasaki	1401 H Street Nw, Suite 220		Washington	DC	20005	
Jsat International Inc.		Mr. Hitoshi Shigeno	2121 Rosecrans Avenue Suite 3355	El Segundo	CA	90245	
Juch Tech, Inc.	Attn: W.B. Walt Juchniewicz, President & CEO	335 Greencedar Drive		Hamilton	ON	L9C 7K5	Canada
K\$ Mobility LLC		20 N Wacker Drive	Suite 1200	Chicago	IL	60606	

3. According to its website, Net Neutral's address is also located at the 10th Road Property. The website provides a map of this address which appears to be the same location as the Operating Site. Net Neutral's website lists its sister companies as:

Sister Companies



Juch-Tech Inc



Neutral Skies Inc



Hamilton Teleport LTD

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS PROPOSED RECEIVER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
JUCH-TECH INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**