

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) THURSDAY, THE 20TH
JUSTICE KIMMEL) DAY OF FEBRUARY, 2025

B E T W E E N:

TWO SHORES CAPITAL CORP.

Applicant

- and -

**PRODUCTIVITY MEDIA INC., PRODUCTIVITY MEDIA INCOME FUND I LP, and
PRODUCTIVITY MEDIA LENDING CORP. I**

Respondents

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of
the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended**

**ORDER
(Motion for Directions)**

THIS MOTION made by the Applicant, Two Shores Capital Corp. (“**Two Shores**”), for
an order, among other things,

- (a) authorizing and directing KSV Restructuring Inc. as the court-appointed receiver
and manager (in such capacity, the “**Receiver**”), without security, of all the assets,

undertakings, and properties of Productivity Media Inc., Productivity Media Income Fund I LP, and Productivity Media Lending Corp. I (collectively, the “**Debtors**”) acquired for, or used in relation to, a business carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”), to:

- (i) until such time as the Debtors’ Indebtedness to Two Shores has been repaid in full, (A) incur no further time or expense in pursuing investigations into the business and affairs of the Debtors (collectively, the “**Investigation**”) or in pursuing any claims which the Debtors may have against third-party service providers or the estate of William Santor, companies owned or controlled thereby, or any property thereof, and (B) devote its time, efforts, and activities toward recoveries and realizations sufficient to repay the Indebtedness in full at the earliest opportunity; and
- (ii) make one or more distributions to Two Shores in an aggregate amount not to exceed the amount of the Debtors’ Indebtedness to Two Shores; and

(b) granting certain ancillary relief,

was heard by videoconference this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Samson Katz sworn February 14, 2025 (the “**Katz Affidavit**”) and the exhibits thereto, and on hearing the submissions of counsel for Two Shores, counsel for the Receiver, and counsel for the Debtors and such other parties listed on the participant information form, no one else appearing although duly served as appears from the Lawyer’s Certificate of Service of Julia Chung dated February 14, 2025, filed,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that any capitalized terms used but not defined herein shall have the meanings given to them in the Katz Affidavit.

CONDUCT OF THE INVESTIGATION

3. **THIS COURT ORDERS**, subject to further order of this Court, that the Receiver is hereby directed to:
 - (a) incur, and instruct PwC, DLA, TOML (each as defined in the Appointment Order) and all other third parties engaged by the Receiver or the Debtors to incur, no further time, cost or expense in pursuing the Investigation (including any legal proceedings relating to the subject matter thereof) or in pursuing any claims which the Debtors may have against third-party service providers or the estate of William Santor, companies owned or controlled thereby, or any property thereof;

 - (b) devote its time, efforts, and activities toward recoveries and realizations from the Property with a view to repayment of the Indebtedness in full at the earliest opportunity; and

 - (c) issue no Receiver's Certificates (as defined in the Appointment Order) for indebtedness ranking in priority to the security interests of Two Shores.

4. Notwithstanding anything to the contrary contained herein, the Receiver may engage in the activities described in paragraphs 3(a) and 3(c) hereof with the prior written consent of Two Shores.

5. Paragraphs 3 to 5 hereof shall have no further force or effect from and after receipt by the Receiver of written confirmation from Two Shores that the Indebtedness has been indefeasibly repaid to Two Shores in full.

DISTRIBUTIONS TO TWO SHORES

6. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make one or more distributions to Two Shores in respect of the Indebtedness from the Property, proceeds thereof, or other funds in the possession or control of the Receiver from time to time, either in cash or as Two Shores may otherwise direct the Receiver in writing (collectively, the “**Distribution**”), provided that the aggregate amount of any Distribution shall not exceed the amount of the Indebtedness outstanding as of the time such Distribution is made and that the Receiver may retain from each Distribution such amount as is required to pay claims (excluding claims secured by the Receiver’s Borrowings Charge (as defined in the Appointment Order)) that rank in priority to the Indebtedness at such time.

7. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to take any further steps that it may deem necessary or desirable to complete the Distribution(s).

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

(a) the pendency or termination of these proceedings;

(b) any bankruptcy proceedings commenced in respect of the Debtors; and

(c) the provisions of any federal, provincial, or other statute,

the Distribution(s) made pursuant to this Order shall be final and irreversible and shall be binding on any trustee in bankruptcy or receiver that has been or may be appointed in respect of the Debtors or their respective property, and shall not be void or voidable by creditors of the Debtor, nor shall the Distribution(s) or any part thereof constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada), or any other applicable federal, provincial, state or territorial legislation, nor shall the Distribution(s) or any part thereof constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial, state, or territorial legislation and shall, upon receipt of the Distribution(s) by the recipients pursuant to this Order, be free and clear of any and all security interests (whether contractual, statutory, or otherwise), mortgages, trusts, or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered, or filed, and whether secured, unsecured, or otherwise.

GENERAL

9. **THIS COURT ORDERS** that, without limiting the provision of the Appointment Order, the Receiver shall incur no liability or obligation as a result of carrying out the provisions of this Order including, without limitation, in respect of any prejudice to the Debtors or their stakeholders that may arise as a result of its compliance with paragraph 3(a) hereof, save and except for any gross negligence or wilful misconduct on its part.

10. **THIS COURT ORDERS** that the Receiver and Two Shores may from time to time apply to this Court for advice and directions with respect to any matters arising from or under this Order.

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

12. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 am of the date of this Order without any need for entry and filing.



Digitally signed by Jessica
Kimmel
Date: 2025.02.21 14:54:40
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TWO SHORES CAPITAL CORP.

-and-
Applicant

PRODUCTIVITY MEDIA INC. et al.

Respondents
Court File No. CV-24-00730869-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto

ORDER
(Motion for Directions)

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