



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00730869-00CL

DATE: November 19, 2024

NO. ON LIST: 3

TITLE OF PROCEEDING: TWO SHORES CAPITAL CORP v. PRODUCTIVITY MEDIA INC et al

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Mitch Stephenson Stuart Brotman	Counsel for the Applicant	mstephenson@fasken.com sbrotman@fasken.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Edmond Lamek Jordan Deering	Counsel for the Respondents	Edmond.lamek@dlapiper.com Jordan.deering@dlapiper.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Tracy Sandler Tiffany Sun	Counsel for KSV – Proposed Receiver	tsandler@osler.com tsun@osler.com
Bobby Kofman Murtaza Tallat	KSV – Proposed Receiver	bkofman@ksvadvisory.com mtallat@ksvadvisory.com

ENDORSEMENT OF JUSTICE CONWAY:

- [1] Case conference held today. This is an Application by the secured creditor Two Shores Capital Corp. for the appointment of a Receiver over the property and assets of the Respondents. It was scheduled to be heard on December 2, 2024 before Justice Black.
- [2] The Applicant seeks the appointment of the Receiver today. That relief is supported by the Respondents. It has been served and is not opposed by any other party on the service list. The service list was specifically advised that the receivership order would be requested at today's case conference.
- [3] The factual basis for the Application is set forth in the affidavit of Samson Katz of Two Shores, sworn November 6, 2024, and the affidavit of Andrew Chang-Sang, Chief Financial Officer of the respondent, Productivity Media Inc. ("PMI"), sworn November 6, 2024.
- [4] The reason for the request to issue the order today is that the Respondents, who are in the business of financing independent film and television projects, have raised \$223 million from investors as of July 2024. There are serious allegations of fraud by William Santor, the CEO of PMI. He is now on a leave of absence. Acting management is deferring immediate business decisions under the circumstances. PricewaterhouseCoopers LLP is conducting an investigation into the alleged fraud.
- [5] The appointment of a Receiver now will enable it to supervise and assist in the investigation, make required business decisions in consultation with key stakeholders, preserve and maximize assets, and provide a court-supervised process to obtain funding to pursue to investigation. The appointment of the Receiver will also provide a forum for stakeholders to obtain information about the Respondents' business and affairs.
- [6] I am satisfied that the receivership order should be granted today and consider it just and convenient to do so. There is time sensitivity to the appointment. There is no opposition. The Applicant is owed approximately US\$2.5 million. There is no issue that a default has occurred and that the Applicant's security is enforceable and provides for the immediate appointment of the Receiver. The Receiver's counsel has provided an opinion confirming the validity and enforceability of the Applicant's security.
- [7] I required counsel to amend the form of order to (i) change the wording in para 3(m) to state that the Receiver is entitled to "supervise, assist in and report on" any investigations referred to therein; (ii) include in para 3.1 that the provisions regarding the approval of cash flow forecasts by the Applicant are subject to further order of this court; and (iii) delete the ability to make distributions in para 13 without a court attendance. Counsel has made those changes and I have signed the revised version. Order to go as signed by me and

attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

- [8] The December 2, 2024 hearing (one hour at noon, already confirmed with the CL office) will now be used for a motion by the Receiver seeking additional relief in these proceedings.

A handwritten signature in blue ink, appearing to read "Conway J.", is positioned below the text. The signature is written in a cursive style with a large, stylized initial 'C'.