

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

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

TWO SHORES CAPITAL CORP.

Applicant

-and-

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

Respondents

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985,
c. B-3, and section 101 of the *Courts of Justice Act*, R.S.O 1990, c. C.43**

AFFIDAVIT OF SOPHIE HESSION

Affirmed April 14, 2025


I, Sophie Hession, of the City of Airdrie, in the Province of Alberta, AFFIRM AND SAY AS
FOLLOWS:

1. I am a Legal Assistant with the law firm of DLA Piper (Canada) LLP, lawyers for KSV Restructuring Inc., the Court appointed receiver and manager (the “**Receiver**”) of Productivity Media Inc. (“**PMI**”), Productivity Media Income Fund I LP, and Productivity Media Lending Corp I (collectively, the “**Debtors**”) in the within proceedings (the “**Receivership Proceedings**”). As such, I have knowledge of the matters to which I hereinafter depose. Where my knowledge is based on information or belief, or is based on my review of documents, I have indicated that source of such knowledge and verily believe it to be true.

2. On March 25, 2025, Ms. Jordan R.M. Deering, Partner at DLA Piper (Canada) LLP, legal counsel for the Receiver served Mr. David Levangie, Partner at Fogler Rubinoff LLP legal counsel for Sonja Santor, the widow, and executor of the estate of William Santor, deceased, the sole shareholder of 8397830 Canada Inc., by email with a copy of the Demand Letter and Section 244 Notice. Attached hereto as **Exhibit A** is a copy of the email from Ms. Deering to Mr. Levangie dated, March 25, 2025, with a copy of the enclosure.

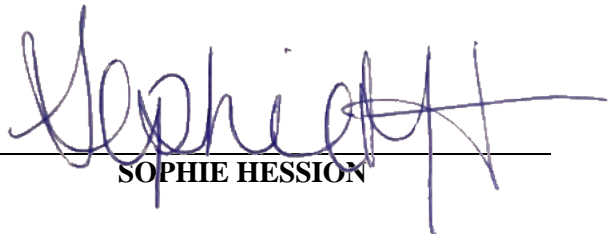
3. I make this affidavit in support of the Receiver's motion to add 8397830 Canada Inc. as an additional Debtor to the Receivership Proceedings and increasing the Receiver's borrowing authority and Receiver's Charge from \$750,000 to \$2,500,000 and for no other or improper purpose.

AFFIRMED REMOTELY by Sophie Hession of the City of Airdrie, in the Province of Alberta, before me at the City of Toronto, in the Province of Ontario, this 14th day of April, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely

Signed by:


A Commissioner for Oaths/A Notary Public

Edmond Lamek (LSO #33338U)

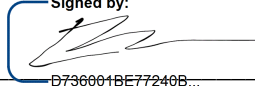
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SOPHIE HESSION

This is Exhibit "A" referred to in the Affidavit of **SOPHIE HESSION**

Affirmed before me on April 14, 2025.

Signed by:



D736001BE77240B...

A Commissioner for Oaths in and for the Province of Ontario

Edmond Lamek (LSO #33338U)

Hession, Sophie

From: Deering, Jordan
Sent: Tuesday, March 25, 2025 7:01 AM
To: David W. Levangie (dlevangie@foglers.com)
Cc: Lamek, Edmond; Bobby Kofman; Murtaza Tallat; Hession, Sophie
Subject: PMI - 839 Demand Letter and Notice
Attachments: 2025 03 24 839 Demand Letter and 244 Notice.pdf

Hi David,

Further to the 839 Receivership application, please find attached the 839 Demand Letter and Section 244 Notice. This is part of the process for the Receivership Application, and no response is required from Sonja. If you have any questions, please reach out to my partner, Edmond Lamek, who is managing the insolvency related issues on this file.

Thanks,

Jordan

Jordan R.M. Deering

Partner
Chair, Canada Corporate Crime, Compliance and Investigations

*Admitted to the Law Societies of Alberta and Ontario

Pronouns: she/her/hers

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F +1 416 ◆

March 24, 2025

FILE NUMBER: 115753-00001

DELIVERED BY EMAIL

8397830 Canada Inc.
c/o Sonja Santor, in her capacity as executor of the
estate of William Santor
c/o Fogler, Rubinoff LLP
Scotia Plaza
40 King Street West, Suite 2400
Toronto, ON M5H 3Y2

Attention: Mr. David Levangie

Dear Mr. Levangie:

Re: In the Matter of Productivity Media Inc., Productivity Media Income Fund I L.P. and Productivity Media Lending Corp., Court File No. CV-24-00730869-00CL

We are counsel to KSV Restructuring Inc., in its capacity as court-appointed receiver and manager (the "**Receiver**") of Productivity Media Inc., Productivity Media Income Fund I L.P. ("**PMIF**") and Productivity Media Lending Corp.

On or about March 24, 2016, PMIF and 8397830 Canada Inc., purporting to carry on business as Joker Media ("**839**") entered into a secured demand grid promissory note (the "**Grid P Note**") in respect of loans advanced by PMIF to 839 to back-stop sales that 839 guaranteed to production companies from the sale of their media productions (the "**Minimum Guarantee Loans**").

As security for all amounts owing by 839 to PMIF, 839 granted PMIF a security interest in all of 839's present and after-acquired personal property pursuant to a general security agreement dated March 24, 2016.

Between March 30, 2016 and November 26, 2021, PMIF advanced Minimum Guarantee Loans to 839 in the amount of CAD\$27,300,000 and USD\$5,640,000. Between May 29, 2016 and October 19, 2022, 839 made repayments on account of the Minimum Guarantee Loans in the amount of CAD\$25,040,548.

As at March, 2025, 839 is indebted to PMIF Lenders in the principal amounts of USD\$5,640,000 and CAD\$2,259,452 plus interest and costs continuing to accrue (the "**Indebtedness**"). On behalf of PMIF, the Receiver hereby demands payment of the full amount of the Indebtedness, plus all accruing interest at the specified rate until receipt of full payment and costs. Interest on the Indebtedness will continue to accrue at the rates agreed to, and costs and expenses will continue



to be incurred by the Receiver for which 839 will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

KSV Restructuring Inc.
220 Bay Street, 13th Floor
PO Box 20
Toronto, ON M5J 2W4

Attention: Murtaza Tallat

If full payment, as set forth above, is not received by 4:00 pm on **Friday, April 4, 2025**, the Receiver may take whatever steps it deems appropriate to seek repayment of the said amount including enforcement of all security granted to secure the Indebtedness.

Enclosed herewith, for service upon 839 is a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**Notice of Intention**"). If 839 is prepared to waive the 10-day notice period, please endorse the Consent and Waiver located on page 2 of the Notice of Intention and return to the undersigned as soon as possible.

Please note that the Receiver reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized. Furthermore, the Receiver reserves the right to take any remedial action or actions at any time as permitted under the aforementioned security agreements, any other documents delivered to PMIF by any party in connection therewith, and applicable law.

Sincerely,
DLA Piper (Canada) LLP

Per:

A handwritten signature in blue ink, appearing to be 'Edmond F.B. Lamek', written over a light blue horizontal line.

Edmond F.B. Lamek
/cjh
:encl.

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

To: 8397830 Canada Inc. ("**839**"), an insolvent person

Take notice that:

1. KSV Restructuring Inc., in its capacity as court-appointed receiver and manager (the "**Receiver**") of Productivity Media Income Fund I L.P. ("**PMIF**"), intends to enforce the security on the property of the insolvent person described below:
 - (a) all of 839's present and after-acquired real and personal property.
2. The security to be enforced is in the form of a general security agreement between PMIF and 839 dated March 24, 2016 (the "**Security**").
3. As at March 24, 2025, the total amount of indebtedness secured by the Security is the principal amounts of \$USD\$5,640,000 and CAD\$2,259,452 plus interest and costs, which continue to accrue.
4. The Receiver will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless 839 consents to an earlier enforcement.

DATED at Toronto, Ontario this 24th day of March, 2025.

DLA PIPER (CANADA) LLP



By: _____
Solicitors for KSV Restructuring Inc., in its
capacity as court-appointed receiver and
manager of Productivity Media Income
Fund I L.P.

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. acknowledges receipt of the Notice of Intention herein;
2. waives the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. consents to the immediate enforcement by KSV Restructuring Inc., in its capacity as court-appointed receiver and manager of Productivity Media Income Fund I L.P., of the Security referred to herein.

DATED at _____ this _____ day of March, 2025.

8397830 Canada Inc.

By: _____

Position: _____

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

TWO SHORES CAPITAL CORP.

and

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

Applicant

Respondent

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

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT

DLA PIPER (CANADA) LLP

Barristers & Solicitors

Suite 5100, Bay Adelaide – West Tower

333 Bay Street

Toronto, ON M5H 2R2

Edmond Lamek (LSO #33338U)

Tel: 416.365.3444

Fax: 416.365.7886

Email: edmond.lamek@dlapiper.com

Lawyers for the Receiver