



**Second Report to Court of  
KSV Restructuring Inc. as Receiver and  
Manager of Convention & Trade Show  
Electrical Services Ltd.**

June 30, 2022

<b>Contents</b>	<b>Page</b>
1.0 Introduction.....	1
1.1 Purposes of this Report .....	2
1.2 Restrictions.....	3
2.0 Background .....	3
3.0 The Transaction.....	4
4.0 Statement of Receipts and Disbursements .....	4
5.0 Review of Asset Sales .....	4
6.0 Professional Fees .....	5
7.0 Receiver’s Discharge.....	5
8.0 Conclusion and Recommendation .....	6

## Appendices

<b>Appendix</b>	<b>Tab</b>
Endorsements of Madam Justice Conway dated August 18 and 24, 2021 .....	A
Receivership Order dated September 27, 2021 .....	B
Application Record .....	C
Report of the Proposed Receiver dated September 23, 2021 .....	D
First Report to Court dated January 5, 2022 .....	E
Statement of Receipts and Disbursements .....	F
Email from the Receiver to Mr. Kerby dated January 18, 2022 .....	G
Fee affidavit of Mitch Vininsky .....	H
Fee affidavit of Mario Forte.....	I



Court FILE NO.: CV-21-00667170-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

**B E T W E E N:**

**STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED**

**Applicants**

**-and-**

**CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.**

**Respondent**

**SECOND REPORT OF KSV RESTRUCTURING INC. AS RECEIVER AND  
MANAGER OF CONVENTION & TRADE SHOW ELECTRICAL SERVICES  
LTD.**

**JUNE 30, 2022**

## **1.0 Introduction**

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (the "Receiver") of the property, assets and undertaking (the "Property") of Convention & Trade Show Electrical Services Ltd. (the "Company").
2. On August 17, 2021, Screen Linx Management Limited ("Screen Linx") and Starline Production Rentals Inc. ("Starline", and together, with Screen Linx, the "Applicants") made an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") for an order appointing KSV as the Receiver pursuant to Sections 243 of the *Bankruptcy and Insolvency Act* and 101 of the *Courts of Justice Act*.
3. The Applicants are related parties and Screen Linx is a secured creditor of the Company. The amount owing to Screen Linx by the Company as at August 6, 2021 was approximately \$1.1 million (the "Debt").
4. The application was heard on August 18, 2021 and adjourned to September 27, 2021.
5. On August 18, 2021, Madame Justice Conway issued an endorsement that required the Company and the Applicants to "prepare a consent interim order in the form of a draft endorsement" for her review.

6. On August 24, 2021, Madame Justice Conway issued a further endorsement (the “Consent Endorsement”) that was negotiated between the Company and the Applicants. The Consent Endorsement required the Company to provide certain information to Screen Linx or its agent. Copies of both of Madame Justice Conway’s endorsements are provided in Appendix “A”.
7. Pursuant to an Order of the Court made on September 27, 2021 (the “Receivership Order”), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix “B”.
8. The principal purpose of this receivership proceeding was to conduct a Court-supervised sale of the Company’s assets that maximized value for the Company’s stakeholders. As discussed below, a transaction for the assets has been completed and the Receiver is now applying for its discharge.

## **1.1 Purposes of this Report**

1. The purposes of this Report are to:
  - a) provide background information about the Company and this proceeding;
  - b) provide an update on the Court-approved transaction between the Receiver and Screen Linx (the “Transaction”) for the Company’s electrical and stage equipment, including cables, distributor panels and lighting (the “Equipment”);
  - c) provide an update on certain transactions that the Receiver was reviewing related to the sale of assets by Bob Kerby, the Company’s former principal, in the two-year period prior to the receivership;
  - d) summarize the fees of the Receiver and its counsel, Goldman Sloan Nash & Haber LLP (“GSNH”); and
  - e) recommend that the Court make an order:
    - i. approving the fees and disbursements of the Receiver and GSNH as set out in Section 5, plus an accrual of \$25,000 for fees incurred or to be incurred by the Receiver and GSNH to the completion of this proceeding, plus HST and disbursements (the “Fee Accrual”);
    - ii. approving this Report and the activities of the Receiver described herein; and
    - iii. discharging KSV as Receiver effective upon filing a discharge certificate.

## 1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon (i) the Company's unaudited, incomplete and limited financial information; (ii) discussions with Mr. Kerby and the Company's legal counsel; and (iii) discussions with the Applicants' representative, and the Applicants' legal counsel.
2. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the Company's financial information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
3. The Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own diligence and any reliance placed by any party on the Company's financial information presented herein shall not be considered sufficient for any purpose whatsoever.

## 2.0 Background

1. The Company was incorporated under the *Business Corporations Act (Ontario)* in 1995.
2. Prior to the onset of the Covid-19 pandemic (the "Pandemic"), the Company provided stage and lighting-related electrical equipment for conventions, trade shows, music and other live performances in Southern Ontario.
3. The Receiver understands that the Company has not carried on active business operations since March 2020, consistent with the onset of the Pandemic. The Company does not currently have any employees.
4. Background information regarding the Company and the Applicants, including the acquisition by the Applicants of the Company's secured indebtedness formerly owing to Royal Bank of Canada ("RBC"), is included in the Application Record and is therefore not repeated in this Report. A copy of the Application Record is provided as Appendix "C", without attachments.
5. Additional information regarding KSV's involvement in these proceedings prior to the Receivership Order is included in KSV's Report to Court as Proposed Receiver dated September 23, 2021 (the "Proposed Receiver's Report") and in the First Report to Court dated January 5, 2022 (the "First Report"). Copies of the Proposed Receiver's Report and the First Report are provided as Appendices "D" and "E", without attachments.
6. Additional information regarding the Company and these proceedings is posted on the Receiver's website at: <https://www.ksvadvisory.com/insolvency-cases/case/ctses>.

### 3.0 The Transaction

1. The Company's principal asset was the Equipment.
2. The book value of the Equipment according to the Company's unaudited financial statements for the year ended May 30, 2020 was approximately \$1.55 million. The Receiver understands that a large portion of the Equipment was sold subsequent to that date and prior to the commencement of the receivership.
3. In consultation with the Applicants, the Receiver commenced a process on September 30, 2021 to solicit bids for the Equipment in accordance with paragraph 3(j) of the Receivership Order. The sale process and its results are summarized in the First Report but it should be noted that the value of the Equipment was far less than its book value would suggest.
4. Pursuant to an Order made on January 14, 2022, the Court approved the Transaction, as set out in an asset purchase agreement dated January 5, 2022 (the "APA"). The purchase price under the APA was \$175,000 (plus any applicable taxes), which was satisfied by a reduction of the Debt. The Transaction was completed on January 21, 2022.
5. As referenced above, the Company owed approximately \$1.1 million to Screen Linx as of the date of the Receivership Order. GSNH reviewed the security granted to Screen Linx by the Company. GSNH provided an opinion that confirmed the validity and enforceability of the security, subject to customary qualifications and assumptions. Based on searches of the *Personal Property Security Act* registry referenced in counsel's opinion, it would appear that no party had an interest in the Equipment which would have ranked in priority to that of Screen Linx.

### 4.0 Statement of Receipts and Disbursements

1. A statement of receipts and disbursements from the date of the Receivership Order to May 31, 2022 is provided as Appendix "F". The professional fees and disbursements of the Receiver and its counsel have been funded directly by the Applicants.

### 5.0 Review of Asset Sales

1. The First Report provides information related to the Receiver's investigation of certain transactions related to the sale of assets by Mr. Kerby conducted by him prior to the Receivership, including the Receiver's requests for an accounting of \$355,775 which the Company advised were generated from proceeds of sales completed in July 2021 (the "Proceeds").
2. Pursuant to an Order made on January 14, 2022, the Court ordered Mr. Kerby to attend "at the time and place to be provided by the Receiver and to answer all questions put to him by the Receiver pertaining to the Proceeds and Property and to produce all books, records, documents, and correspondence in his possession or control relating to the Property or the Proceeds, failing which the Receiver shall be entitled to apply to this court for a finding of contempt in respect of Mr. Kerby's conduct".

3. On January 18, 2022, the Receiver sent an email to Mr. Kerby to, among other things, inquire about the Proceeds. A copy of the email is provided as Appendix “G”.
4. On January 21, 2022, Mr. Kerby called the Receiver and advised that he either did not have or would not provide the information that the Receiver was requesting. He also advised the Receiver that he is 77 years old and without financial means.
5. The Receiver discussed with the Applicants the proposed next steps regarding Mr. Kerby and the Proceeds. After considering Mr. Kerby’s personal situation and the professional costs associated with pursuing Mr. Kerby, the Receiver and the Applicants determined that pursuing Mr. Kerby within this proceeding would not be economic in the circumstances.

## **6.0 Professional Fees**

1. The fees of the Receiver for the period September 13, 2021 to January 31, 2022 total \$43,979, excluding disbursements and HST. The fees of GSNH for the period August 18, 2021 to June 20, 2022 total \$6,893, excluding disbursements and HST. Fee affidavits and accompanying invoices for the Receiver and GSNH are attached as Appendices “H” and “I”, respectively.
2. The average hourly rate for the Receiver and GSNH for the referenced billing period was \$489 and \$589, respectively.
3. The Receiver believes that the Accrual is sufficient and necessary to cover its fees and the fees of GSNH to the completion of these proceedings.
4. The Receiver is of the view that GSNH’s hourly rates are consistent with the rates charged by other law firms practicing in the area of insolvency in the Toronto market, and that its fees are reasonable and appropriate in the circumstances.

## **7.0 Receiver’s Discharge**

1. As noted in Section 1 above, the principal purpose of the receivership proceedings was to realize upon the Equipment. The Equipment has been sold and there is no further purpose to the Company’s receivership proceeding.
2. The Receiver recommends that the Court issue an order for, among other things:
  - a) discharging KSV as receiver of the Property, subject to the filing of a discharge certificate with the Court; and
  - b) confirming that the Receiver shall: i) remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership of the Company; and ii) continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour in its capacity as the Receiver.

## 8.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Court make an order granting the relief detailed in Section 1.1 (1)(e) of this Report.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
CONVENTION & TRADE SHOW ELECTRICAL SERVICES LIMITED,  
AND NOT IN ANY OTHER CAPACITY**

## **Appendix “A”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED

Applicants

-and-

CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.

Respondent

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

**CONSENT ENDORSEMENT OF MADAM JUSTICE CONWAY**

**Dated: August 18, 2021**

1. The Respondent and its directors, shareholders, employees or other representatives shall not, pending further Order of this Court, sell, transfer, lease, pledge as security, or encumber in any way any of the Respondent's property or assets, (the "**Assets**") including, without limitation, all chattels, personal property, equipment, inventory, books and records, as well as the assets of the Respondent currently located at 22 Simpson Road, Bolton, ON (the "**Bolton Location**")
2. The Respondent shall forthwith advise counsel for the Applicant Screen Linx, or such agents as the Applicants may appoint pursuant to the security held by them, of the location of all Assets that are not located at the Bolton Location..

3. The Respondent shall provide to the Applicant Screen Linx, and such agents as it may designate pursuant to the security held by them, an accounting of all Assets sold, conveyed or transferred by the Respondent in the two (2) year period preceding the date of this Order, including, without limitation, a description of the Asset(s) sold, conveyed or transferred, in as much detail as possible and including serial numbers where applicable, the name of the purchaser or acquirer of each Asset, the purchase price, confirmation that HST was collected in connection with those sales, and the disposition of the proceeds of the sale, conveyance or transfer.

4. The Respondent and its directors, shareholders, employees or other representatives shall forthwith provide to the Applicant Screen Linx, or its agent, the following, pursuant to the security held by Screen Linx:

- (a) reasonable access to any of the Assets, wherever located, upon 24 hours' advance notice by the Agent, for the purpose of permitting the Applicant or its agent to view and record the state of the Assets;
- (b) copies of the current agreement, contract, lease or other arrangement with the owner/landlord of the Bolton Location or any location where Assets are located, or were located within the last twelve (12) months, or details of any oral arrangement in effect with respect to the storage of the Assets, including, without limitation, details of any monthly or other payments due, and the status of those payments; and

- (c) the status of any governmental obligations owing by the Respondent, including, without limitation, unremitted HST, employee source deductions and other similar obligations.

5. With respect to any person designated as agent as contemplated in this endorsement, the Respondent will not raise any objection to the appointment of any such agent as Receiver in any future Order of the Court made in these proceedings solely on the basis that they may have acted as agent for Screen Linx.

  
\_\_\_\_\_  
The Honourable Madam Justice Conway

STARLINE PRODUCTION RENTALS INC. et al.

Applicants

-and-

CONVENTION & TRADE SHOW ELECTRICAL SERVICES  
LTD.

Respondent

Court File No. CV-21-00667170-00CL

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

PROCEEDING COMMENCED AT  
TORONTO

**ENDORSEMENT OF MADAM JUSTICE CONWAY**

**TORKIN MANES LLP**

Barristers & Solicitors

151 Yonge Street, Suite 1500

Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)

[jsimpson@torkinmanes.com](mailto:jsimpson@torkinmanes.com)

Tel: 416-777-5413

Lawyers for the Applicants

RCP-F 4C (September 1, 2020)

**From:** Conway, Madam Justice Barbara (SCJ)

**Sent:** August 18, 2021 10:49 AM

**To:** Jeffrey Simpson <jsimpson@torkinmanes.com>; Jeffrey Simpson <jsimpson@torkinmanes.com>; Mario Forte <forte@gsnh.com>; Bobby Kofman <bkofman@ksvadvisory.com>; JUS-G-MAG-CSD-Toronto-SCJ Commercial List <MAG.CSD.To.SCJCom@ontario.ca>

**Cc:** Mitch Vininsky <mvininsky@ksvadvisory.com>

**Subject:** RE: Starline v. CTSES, CV-21-00667170-00CL

**Importance:** High

Scheduling appointment held today.

This is a receivership application. The application materials have been served but only yesterday. The respondent CTSES intends to oppose and needs time to deliver materials.

Counsel have agreed that an interim order will be put in place with respect to the non-sale of assets by CTSES and an accounting. They will prepare a consent interim order in the form of a draft endorsement for my review. They are to email it to me directly this week. If acceptable, I will endorse it.

I have scheduled a hearing for the application for **September 27, 2021 at noon for one hour (any judge, confirmed with the CL office)**.

A handwritten signature in blue ink, appearing to read "Conway J.", with a stylized flourish at the end.

Superior Court of Justice (Toronto)

## **Appendix “B”**

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

THE HONOURABLE MADAM	)	MONDAY, THE 27TH
	)	
JUSTICE GILMORE	)	DAY OF SEPTEMBER, 2021

B E T W E E N:

(Court Seal)

STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED

Applicants

-and-

CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.

Respondent

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

**ORDER**  
**(Appointing Receiver)**

**THIS APPLICATION** made by the Applicants for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing KSV Restructuring Inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of each of the Respondent (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Scott Turner sworn August 17, 2021, and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, and on reading the consent of KSV Restructuring Inc. to act as the Receiver,

## **SERVICE**

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

## **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

## **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000 provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **EXAMINATIONS UNDER OATH**

4. **THIS COURT ORDERS** that, without limiting the provisions otherwise contained in this Order, the Receiver may, without further order of this Court, examine under oath any Person reasonably thought to have knowledge of the affairs of the Debtor, the Property, or any Person who is or has been an officer, a director or an employee of the Debtor, respecting the Property and any dealings with the Property and may order any person liable to be so examined to produce any books, documents, correspondence or papers in that person's possession or power relating in all or in part to the Debtor and any dealings with or in respect of the Property.

#### **CONTINUING EFFECT OF PRIOR COURT ENDORSEMENT**

5. **THIS COURT ORDERS** that, to the extent that any of the requirements set out in the Endorsement of Madam Justice Conway dated August 18, 2021 (the "Interim Endorsement") have not been complied with, the Interim Endorsement remains in full force and effect and any such requirements are hereby incorporated by reference into this Order, except to the extent any such terms are inconsistent with the terms of this Order, in which case, this Order shall govern.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

6. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

7. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and

providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

9. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

12. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment,

(iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

13. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

14. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

15. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for

herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

16. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

18. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release

or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

19. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

20. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

22. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

23. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

26. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

27. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/insolvency-cases/case/CTSES>

28. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

29. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.

32. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor' estate with such priority and at such time as this Court may determine.

34. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



---

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that KSV Restructuring Inc. the receiver (the "Receiver") of the assets, undertakings and properties of Convention & Trade Show Electrical Services Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated **XX** (the "Order") made in an action having Court file number **XX**, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of Montreal from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2021.

**KSV RESTRUCTURING INC.**

Per: \_\_\_\_\_

Name: Bobby Kofman

Title: President and Managing Director

STARLINE PRODUCTION RENTALS INC. et al

-and- CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.

Applicants

Respondent

Court File No. CV-21-00667170-00CL

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
PROCEEDING COMMENCED AT  
TORONTO

**ORDER**  
**(Appointing Receiver)**

**TORKIN MANES LLP**  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)  
jsimpson@torkinmanes.com  
Tel: 416-777-5413

Lawyers for the Applicants

RCP-E 4C (May 1, 2016)



## **Appendix “C”**

Court File No. CV-21-00667170-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED

Applicants

-and-

CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.

Respondent

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

**APPLICATION RECORD**  
(Returnable August 18, 2021)

August 17, 2021

**TORKIN MANES LLP**  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)  
jsimpson@torkinmanes.com  
Tel: 416-777-5413

Lawyers for the Applicants

TO: **THE SERVICE LIST**

**SERVICE LIST**

as of August 12, 2021

**TO: CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.**  
585 Southdown Road  
Mississauga ON L5J 4V1

Robert D. Kerby  
bkerby@bobsruises.com

- and -

**ROBERT D. KERBY**  
524 Glenashton Dr  
Oakville ON L6H 4W5

**AND TO: KSV RESTRUCTING INC.**  
150 King Street West, Suite 2308  
Toronto ON M5H 1J9

Bobby Kofman  
bkofman@ksvadvisory.com  
Tel: 416-932-6228

Proposed Receiver

**AND TO: GOLDMAN SLOAN NASH & HABER LLP**  
Barristers and Solicitors  
480 University Avenue  
Suite 1600  
Toronto ON M5G 1V2

Mario Forte (27293F)  
forte@gsnh.com  
Tel: 416-597-9922

Lawyers for the Proposed Receiver,  
KSV Restructuring Inc.

AND TO: **O'CONNOR MACLEOD HANNA LLP**

Barristers and Solicitors  
700 Kerr Street  
Oakville ON L6K 3W5

Orie H. Niedzwiecki (42087U)  
orie@omh.ca; niedzwiecki@omh.ca  
Tel: 905-842-8030

Lawyers for Robert D. Kerby

AND TO: **AIRD & BERLIS LLP**

Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
P.O. Box 754  
Toronto ON M5J 2T9

Ian Aversa (55449N)  
iaversa@airdberlis.com  
Tel: 416-865-3082

Lawyers for the Royal Bank of Canada

AND TO: **SPRUCEWOOD LEASING LIMITED**

3565 King Road, Suite 101  
King City ON L7B 1M3

Maria Gutierrez  
maria@sprucewoodleasing.com  
Tel: 905-833-6056

AND TO: **DEPARTMENT OF JUSTICE**

Ontario Regional Office  
120 Adelaide Street West, Suite 400  
Toronto ON M5H 1T1

Diane Winters (20824V)  
diane.winters@justice.gc.ca  
Tel: 647-256-7459

Lawyers for the Canada Revenue Agency

AND TO: **HER MAJESTY THE QUEEN IN THE RIGHT OF ONTARIO**  
**AS REPRESENTED BY MINISTRY OF FINANCE (ONTARIO)**  
Legal Services Branch  
33 King Street West, 6th Fl.  
Oshawa ON L1H 8H5

Steven Groeneveld (45420I)  
steven.groeneveld@ontario.ca

Leslie Crawford, Law Clerk  
leslie.crawford@ontario.ca

Tel: 905-440-2470

41349.0009/26489070\_1

Court File No. CV-21-00667170-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED

Applicants

-and-

CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.

Respondent

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

**TABLE OF CONTENTS**

<b>Tab</b>	<b>Description</b>	<b>Page No.</b>
1	Notice of Application issued August 16, 2021	1
2	Affidavit of Scott Turner sworn August 17, 2021	29
A	Exhibit “A” – Corporation Profile Report in respect of CTSES obtained July 28, 2021	47
B	Exhibit “B” – Corporation Profile Report in respect of Starline obtained August 9, 2021	53
C	Exhibit “C” – Corporation Profile Report in respect of Screen Linx generated August 9, 2021	59
D	Exhibit “D” – Master Lease Agreement dated May 17, 2018 and the Lease Schedule dated May 29, 2018	64
E	Exhibit “E” – Guarantees dated May 30, 2018	80
F	Exhibit “F” – GSA dated May 30, 2018	89
G	Exhibit “G” – PPSA search in respect of CTSES with a search currency of July 27, 2021	102

-ii-

<b>Tab</b>	<b>Description</b>	<b>Page No.</b>
H	Exhibit “H” – Demands and NITES dated January 11, 2021	137
I	Exhibit “I” – Forbearance Agreement dated February 19, 2021	145
J	Exhibit “J” – Statement of Claim issued June 9, 2021	171
K	Exhibit “K” – Statement of Defence and Counterclaim dated August 3, 2021	181
L	Exhibit “L” – Assignment of Debt and Security dated August 5, 2021	187
M	Exhibit “M” – executed Direction	198
N	Exhibit “N” – E-mail dated July 27, 2021	201
O	Exhibit “O” – E-mail from counsel for Starline dated July 28, 2021	203
3	Consent to Act as Receiver signed August 11, 2021	207

1

Court File No./N° du dossier du greffe: CV-21-00667170-00CL



Electronically issued  
 Délivré par voie électronique : 16-Aug-2021  
 Toronto

Court File No.

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

BETWEEN:

STARLINE PRODUCTION RENTALS INC. and  
 SCREEN LINX MANAGEMENT LIMITED

Applicants

CONVENTION &amp; TRADE SHOW ELECTRICAL SERVICES LTD.

Respondent

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

**NOTICE OF APPLICATION**

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- ☐ In person  
☐ By telephone conference  
☒ By video conference

at the following location:

(Courthouse address or telephone conference or video conference details, such as a dial-in number, access code, video link, etc. if applicable)

on Wednesday, August 18, 2021, at 10:30 a.m., before a judge presiding over the Commercial List (*or on a day to be set by the registrar*).

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting

-2-

for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date \_\_\_\_\_ Issued by \_\_\_\_\_  
 Local Registrar

Address of court office: Superior Court of Justice  
 330 University Avenue, 9th Floor  
 Toronto ON M5G 1R7

TO: Convention & Trade Show Electrical Services Ltd.  
 585 Southdown Road  
 Mississauga ON L5J 4V1

## APPLICATION

1. The Applicants Starline Production Rentals Inc. and Screen Linx Management Limited (collectively “**Starline**”) make application for:

- (a) An Order pursuant to s. 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “**CJA**”) appointing KSV Restructuring Inc. (“**KSV**”) as Court-Appointed Receiver over all assets and undertaking of the Respondent, Convention & Trade Show Electrical Services Ltd., of any nature whatsoever, wherever situate, on the terms set out in the draft Receivership Order attached as Schedule “A”;
- (b) An Order granting the Applicants their costs of this proceeding, on a substantial indemnity scale, plus all applicable taxes; and
- (c) Such further and other Relief as to this Honourable Court may seem just.

2. The grounds for the application are:

- (a) As of August 6, 2021, CTSES was indebted to Starline in the total amount of \$1,143,572.41 (the “**Indebtedness**”) including legal fees incurred up to that date. Starline is the first-ranking secured creditor by date of registration over the assets and undertaking of CTSES.
- (b) CTSES is an Ontario-incorporated company that was in the business providing stage and lighting-related electrical equipment for conventions, trade shows, music and other live performances in southern Ontario.

-4-

- (c) A Corporation Profile Report in respect of CTSES shows that CTSES was incorporated in 1995, and that its registered head office is located in Mississauga, Ontario. Robert Kerby, of Mississauga Ontario is the sole officer and director of CTSES.
- (d) The assets of CTSES, consist mostly of electrical and stage equipment that is being stored in a third-party warehouse in Vaughan, Ontario. Some of the company's assets may be stored on an event site north of Toronto.
- (e) An Ontario *Personal Property Security Act* (the "**PPSA**") search shows that CTSES' secured creditors consist of Starline and several other creditors who appear to be equipment lessors to CTSES.
- (f) Any employees that CTSES may once have employed have long since been laid off. The Applicant has no information with respect to termination and severance obligations that may be owed to former employees, nor of the status of any HST or other governmental obligations. Starline is understandably concerned by the possibility of super-priority claims being asserted by former employees and the Canada Revenue Agency.
- (g) Starline Production Rentals, an Ontario company incorporated in 2011, is in the business of supplying trucks and trailers to the film and television production industry. Starline Production Rentals holds the beneficial interest in the Indebtedness and the security held against CTSES in question in this Application.

-5-

- (h) Prior to February, 2019, Starline Production Rentals was a related company to CTSES insofar as it was formerly owned by the principal of CTSES, Robert Kerby and his wife, Heather Kerby. In February, 2019, the current shareholder(s) of Starline acquired all of the issued and outstanding share capital of Starline Production Rentals formerly owned by the Kerbys.
- (i) At the time of the acquisition of the shares of Starline Production Rentals from the Kerbys, Starline Production Rentals was liable for certain Indebtedness of CTSES in favour of Royal Bank of Canada (“RBC” or the “Bank”) (described below in more detail) pursuant to a guarantee executed by Starline Production Rentals.
- (j) As part of the share purchase transaction, Mr. Kerby was required to make reasonable efforts to obtain a discharge of the RBC guarantee executed by Starline. Mr. Kerby was not successful in obtaining the discharge of the guarantee, with the result that the RBC guarantee continued to be binding on Starline, despite the fact that Starline was no longer related in any way to CTSES and was completely independent of CTSES from an operational and legal perspective.
- (k) The new owners of Starline were prepared to enter into the share purchase transaction notwithstanding the outstanding RBC guarantee, on the basis that CTSES would continue to service the RBC Indebtedness. In the event that CTSES failed to do so, Starline was prepared to pay out the liability under its guarantee, take an assignment of the Bank’s loan and security position and enforce upon the assets of CTSES in order to recoup the funds paid to the Bank in consideration of the assignment.

-6-

- (l) Unfortunately, this is exactly what has occurred.
- (m) In July, 2021, after the Bank issued demand for payment against Starline and commenced an Action in the Ontario Superior Court of Justice against Starline in respect of the guarantee, Starline paid out and took an assignment of RBC's debt and security. In essence, Starline stepped into the shoes of the Bank with respect to the CTSES Indebtedness.
- (n) Screen Linx is an Ontario-incorporated company and a related company to Starline Production Rentals. On the closing of the assignment of debt and security, Starline Production Rentals, which is shown as the "Assignee" in the Assignment Agreement, directed that the Bank transfer title to the debt and security to its related company, Screen Linx, which, by virtue of that direction, is the holder of legal title to the Indebtedness and the security in question.
- (o) Default in the monthly payments due in respect of the Indebtedness occurred in early 2021. On January 11, 2021, written demand for repayment and a Notice of Intention to Enforce Security (collectively, the "**Demands and NITES**") were issued against CTSES by a predecessor creditor, Royal Bank of Canada ("**RBC**").
- (p) Pursuant to a February 19, 2021 forbearance agreement (the "**Forbearance Agreement**") executed by CTSES and RBC, CTSES acknowledged, among other things, the amount of the Indebtedness, the enforceability of the security held in respect of the Indebtedness and the validity of the Demands and NITES. The forbearance period pursuant to the Forbearance Agreement expired on March 30, 2021 and the Indebtedness was not repaid, in full or in part. No

-7-

payments have been made against the Indebtedness since the issuance of Demands and NITES in January, 2021.

- (q) The security held by Starline against CTSES, formerly held by RBC, includes a General Security Agreement (the “GSA”) that provides specifically for the appointment of a Receiver over the assets of CTSES on default. The Forbearance Agreement contains a similar acknowledgment on the part of CTSES to the effect that if the Indebtedness was not repaid in full by March 30, 2021, the creditor pursuant to that Agreement was at liberty to take all steps to enforce the security held by it.
- (r) Accordingly, events of default have occurred pursuant to the GSA and the Forbearance Agreement that entitle Starline to the requested appointment of a receiver.
- (s) The Indebtedness, the supporting guarantees and security, the Forbearance Agreement, the GSA, and all other rights in connection with the Indebtedness were assigned by Royal Bank of Canada to Starline on or about August 7, 2021.
- (t) There is urgency to the within Application. CTSES is no longer carrying on business, and has not done so (with potentially some minor exceptions) since the start of the COVID pandemic.
- (u) The Applicant has been advised that CTSES is engaging in sales of assets outside the ordinary course of business, which assets are subject to Starline’s security. Starline’s security is likely eroding with each such sale of assets.

-8-

- (v) Management is no longer responding to communications from creditors. On three separate occasions over the past several weeks, counsel for RBC, counsel for the Applicant, and a representative of the Applicant have each separately sent emails to Robert Kerby, the principal of CTSES, to demand a full accounting of the equipment sold out of the ordinary course, and to demand that all such transactions cease immediately. No response was received to any of these communications, which is extremely concerning to Starline.
- (w) Further, the Applicant understands that the assets of CTSES are located in a third-party-owned warehouse, which may or may not be secure. It is unlikely that the owner of this warehouse will relinquish the assets or even permit inspection of them unless compelled to do so by a Court-Appointed Receiver with the full panoply of powers typically granted to a receiver by this Honourable Court.
- (x) In these circumstances, it is appropriate that the Court grant the requested appointment of a receiver, in order to take control of the situation, identify and secure assets and liabilities of CTSES and to engage in an orderly sales process in order to satisfy the claims of its creditors.
- (y) It is also essential that the Receiver be appointed by this Honourable Court as quickly as possible to prevent further erosion of the security held by the Applicants.
- (z) KSV has consented to act as Court-Appointed Receiver in this matter and is prepared to act immediately upon the issuance of the requested Order.
- (aa) Ss. 243 of the BIA and s. 101 of the CJA.

-9-

(bb) Such further and other grounds as the lawyers may advise.

3. The following documentary evidence will be used at the hearing of the application:

(a) The Affidavit of Scott Turner;

(b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

August 11, 2021

**TORKIN MANES LLP**  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)  
jsimpson@torkinmanes.com  
Tel: 416-777-5413

Lawyers for the Applicants

## **Appendix “D”**



**First Report to Court of  
KSV Restructuring Inc. as Proposed  
Court-Appointed Receiver and Manager  
of Convention & Trade Show Electrical  
Services Ltd.**

September 23, 2021

<b>Contents</b>	<b>Page</b>
1.0 Introduction.....	1
1.1 Purposes of this Report .....	2
1.2 Restrictions.....	2
2.0 Background .....	2
3.0 KSV's Activities Since the Consent Endorsement.....	3
3.1 Site Attendance .....	3
3.2 Information Requests.....	3

## **Appendices**

<b>Appendix</b>	<b>Tab</b>
Endorsements of Madam Justice Conway dated August 18 and 24, 2021 .....	A
Letter to OMH dated August 24, 2021.....	B
Initial email correspondence between KSV and OMH.....	C
Follow-up email correspondence between KSV and OMH .....	D
Invoices dated July 6 and 14, 2021 .....	E
CRA notices.....	F



Court FILE NO.: CV-21-00667170-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

B E T W E E N:

STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED

Applicants

-and-

CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.

Respondent

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

FIRST REPORT OF KSV RESTRUCTURING INC. AS PROPOSED COURT-  
APPOINTED RECEIVER AND MANAGER OF CONVENTION & TRADE  
SHOW ELECTRICAL SERVICES LTD.

SEPTEMBER 23, 2021

## 1.0 Introduction

1. On August 17, 2021, Screen Linx Management Limited ("Screen Linx") and Starline Production Rentals Inc. ("Starline", and together, with Screen Linx, the "Applicants") made an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") for an order appointing KSV Restructuring Inc. ("KSV") as the receiver and manager of the property, assets and undertaking of Convention & Trade Show Electrical Services Inc. (the "Company") pursuant to Sections 243 of the *Bankruptcy and Insolvency Act* and 101 of the *Courts of Justice Act*.
2. The Applicants are secured creditors of the Company. The amount owing to the Applicants by the Company as at August 6, 2021 was approximately \$1.1 million.
3. The application was heard on August 18, 2021 and adjourned to September 27, 2021.
4. On August 18, 2021, Madame Justice Conway issued an endorsement that required the Company and the Applicants to "prepare a consent interim order in the form of a draft endorsement" for her review.

5. On August 24, 2021, Madame Justice Conway issued a further endorsement (the "Consent Endorsement") that was the subject of negotiation between the Company and the Applicants since the August 18, 2021 Court attendance. The Consent Endorsement required the Company to provide certain information to Screen Linx or its agent. Copies of both of Madame Justice Conway's endorsements are provided in Appendix "A".
6. This report ("Report") is filed by KSV in its capacity as proposed receiver and manager of the Company and summarizes KSV's activities, as required by the Consent Endorsement.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide background information about the Company; and
  - b) summarize KSV's activities carrying out the Consent Endorsement.

## 1.2 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information provided to it by the Company, the Company's books and records and discussions with the Company's management, the Company's legal counsel and the Applicants and their legal counsel. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. KSV expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own diligence and any reliance placed by any party on the Company's financial information presented herein shall not be considered sufficient for any purpose whatsoever.

## 2.0 Background

1. The Company was incorporated under the *Business Corporations Act (Ontario)* in 1995. Robert Kerby is the Company's sole officer and director.
2. KSV understands that prior to the onset of the Covid-19 pandemic, the Company provided stage and lighting-related electrical equipment for conventions, trade shows, music and other live performances in southern Ontario.
3. The Company has not carried on active business operations since March 2020. The Company does not currently have any employees.

4. The Company's assets are presently stored at a warehouse located at 22 Simpson Road, Bolton, Ontario (the "Premises") operated by HVAC Rentals ("HVAC"), which is believed to be an unrelated party. The Company's assets primarily consist of electrical and stage equipment, including cables, distributor panels and lighting (the "Assets"). KSV has been advised that there is no written occupancy lease between the Company and HVAC.
5. Background information regarding the Company and the Applicants, including the transaction resulting in the Applicants acquiring the Company's secured indebtedness formerly owed to Royal Bank of Canada ("RBC"), is included in the Application Record and is therefore not repeated in this Report.

### **3.0 KSV's Activities Since the Consent Endorsement**

#### **3.1 Site Attendance**

1. Pursuant to the Consent Endorsement, KSV attended on August 28, 2021 with Mr. Kerby and a representative of HVAC at the Premises. The primary purpose of the attendance was to inspect and prepare an inventory of the Assets.
2. The Assets are stored in large bins on shelves stacked on three levels. The bins on the upper shelves are only accessible with a ladder or a forklift, neither of which was available during KSV's attendance at the Premises. Accordingly, KSV was unable to count or view the assets located on the upper shelves in the 90 minutes that Mr. Kerby permitted KSV to attend at the Premises to inspect the Assets. KSV estimates that at least one half a day is required to perform a full inspection.
3. Notwithstanding that Mr. Kerby formerly operated the Company's business, Mr. Kerby advised KSV that he had limited information regarding the Assets, their use and model numbers.
4. KSV prepared a list and took photographs of the Assets it was able to inspect during its attendance.

#### **3.2 Information Requests**

1. On August 24, 2021, KSV sent a letter to the Company's legal counsel, O'Connor Macleod Hanna LLP ("OMH") with requests for information from the Company. A copy of this letter is provided in Appendix "B".
2. As KSV did not receive a timely response, it followed up with OMH several times. OMH's initial response was received by email on September 6, 2021, a copy of which is provided in Appendix "C". Thereafter, KSV sent follow-up questions to OMH on September 7 and 9, 2021. OMH responded to these questions on September 14, 2021. This correspondence is provided in Appendix "D".

3. The information requested by KSV and the responses received from OMH are summarized below:

Ref.	Information Requested by KSV	Answer Provided by OMH and the Company
a.	Location of all assets not located at the Premises.	OMH and the Company advised that all assets are located at the Premises.
b.	Accounting of all assets sold, conveyed, or transferred two years preceding August 18, 2021, including supporting details and documentation.	<p>OMH provided an invoice dated July 6, 2021 and two invoices dated July 14, 2021 in the total amount of \$355,775 (the "Proceeds") which identify the assets sold by JK Power Services, which OMH subsequently advised is the Company's operating name. Copies of these invoices are provided in Appendix "E". OMH advised that the purchasers of these assets are arm's length to the Company and to Mr. Kerby; however, the identity of the purchasers was not provided, despite KSV's requests for their names.</p> <p>OMH advised that sales taxes were not charged or remitted on these sales.</p>
c.	Copies of the agreement, contract, lease or other arrangement with the owner of the Leased Premises or any location where assets were located in the 12 months preceding August 18, 2021, including supporting details and documentation.	<p>OMH advised that there is no written lease agreement for the Premises and no rent is currently payable.</p> <p>During KSV's meeting with Mr. Kerby, Mr. Kerby advised KSV that monthly rent of \$3,500 is outstanding to HVAC for the four months ended August 31, 2021. HVAC's representative also advised KSV that rent was owing for the storage area.</p> <p>KSV inquired of OMH as to why OMH's and Mr. Kerby's statements differed. OMH advised that "There is no rent outstanding to HVAC Rentals. During a recent discussion with their management, it was suggested that should a settlement for the rent for use of the facilities become appropriate, 4 months at a rate of \$3,500 per month to the end of August would be appropriate. Originally various relations with HVAC were contemplated wherein rent could be discussed at that time. Ultimately, no business relationship with HVAC crystallized".</p> <p>The occupancy terms between the Company and HVAC remain uncertain.</p>

d.	Status of government obligations owing, including, HST and employee source deductions.	<p>On September 6, 2021, OMH advised KSV that there are no unremitted HST or statutory employee deductions.</p> <p>KSV requested copies of account statements issued by Canada Revenue Agency ("CRA") to the Company to confirm that they reflect nil balances.</p> <p>On September 14, 2021, OMH provided account statements to KSV which appear to reflect that: a) as of August 17, 2021, a balance of \$10,394 had been remitted in 2021 by the Company to CRA for source deductions; and b) as of June 14, 2021, the Company claimed a sales tax refund of \$931. Copies of these notices are provided in Appendix "F".</p>
----	--	--

4. Notwithstanding that the Proceeds were in respect of invoices dated July 6 and July 14, 2021 (see item "b" in the table), OMH advised KSV that \$261,750 of the Proceeds were used to repay the Company's indebtedness to RBC in instalments of \$52,350 each on October 8 and 30, 2020, January 8, 2021, February 23, 2021 and March 30, 2021.
5. OMH also advised KSV that the remainder of the Proceeds, being \$94,025, plus an apparent additional amount of \$30,110 (the source of which is unknown) was paid by the Company to Mr. Kerby as a partial repayment of \$300,000 that he says he advanced to the Company during the Covid-19 pandemic. OMH did not provide KSV with evidence of the advances by Mr. Kerby to the Company nor any indebtedness owing to Mr. Kerby from the Company.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS PROPOSED RECEIVER AND MANAGER OF  
CONVENTION & TRADE SHOW ELECTRICAL SERVICES LIMITED,  
AND NOT IN ANY OTHER CAPACITY**

## **Appendix “E”**



**First Report of  
KSV Restructuring Inc. as Receiver and  
Manager of Convention & Trade Show  
Electrical Services Ltd.**

January 5, 2022

<b>Contents</b>	<b>Page</b>
1.0 Introduction.....	1
1.1 Purposes of this Report .....	2
1.2 Restrictions.....	3
2.0 Background .....	3
3.0 Bid Solicitation Process .....	4
3.1 Results .....	5
3.2 APA .....	5
3.3 Security Opinion .....	6
3.4 Recommendation.....	7
4.0 Bank Transactions.....	7
4.1 Requirement to Answer Questions.....	8
5.0 Conclusion and Recommendation .....	9

## Appendices

<b>Appendix</b>	<b>Tab</b>
Endorsements of Madam Justice Conway dated August 18 and 24, 2021 .....	A
Receivership Order dated September 27, 2021 .....	B
Application Record .....	C
Report of the Proposed Receiver dated September 23, 2021 .....	D
Solicitation Letter dated September 30, 2021 .....	E
Equipment Bid Summary.....	F
APA.....	G
Bank Statements for the Period July 2021 to September 2021 .....	H
Email from the Receiver to Mr. Kerby dated October 21, 2021 .....	I



Court FILE NO.: CV-21-00667170-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

**B E T W E E N:**

**STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED**

**Applicants**

**-and-**

**CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.**

**Respondent**

**FIRST REPORT OF KSV RESTRUCTURING INC. AS RECEIVER AND  
MANAGER OF CONVENTION & TRADE SHOW ELECTRICAL SERVICES  
LTD.**

**JANUARY 5, 2022**

## **1.0 Introduction**

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (the "Receiver") of the property, assets and undertaking (the "Property") of Convention & Trade Show Electrical Services Ltd. (the "Company").
2. On August 17, 2021, Screen Linx Management Limited ("Screen Linx") and Starline Production Rentals Inc. ("Starline", and together, with Screen Linx, the "Applicants") made an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") for an order appointing KSV as the Receiver pursuant to Sections 243 of the *Bankruptcy and Insolvency Act* and 101 of the *Courts of Justice Act*.
3. The Applicants are related parties and Screen Linx is a secured creditor of the Company. The amount owing to Screen Linx by the Company as at August 6, 2021 was approximately \$1.1 million (the "Debt").
4. The application was heard on August 18, 2021 and adjourned to September 27, 2021.
5. On August 18, 2021, Madame Justice Conway issued an endorsement that required the Company and the Applicants to "prepare a consent interim order in the form of a draft endorsement" for her review.

6. On August 24, 2021, Madame Justice Conway issued a further endorsement (the “Consent Endorsement”) that was negotiated between the Company and the Applicants. The Consent Endorsement required the Company to provide certain information to Screen Linx or its agent. Copies of both of Madame Justice Conway’s endorsements are provided in Appendix “A”.
7. Pursuant to an Order of the Court made on September 27, 2021 (the “Receivership Order”), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix “B”.
8. The principal purpose of these receivership proceedings is to conduct a Court-supervised sale of the Company’s assets that maximizes value for the Company’s stakeholders.
9. The Receiver conducted a process to solicit offers for the Equipment (as defined below). Screen Linx advised the Receiver that it was not prepared to consent to a sale of the assets pursuant to any of the offers received. In order to reduce costs, Screen Linx took possession of the assets by relocating them to its warehouse. Screen Linx is now looking to acquire the Equipment in partial satisfaction of its debt, as further detailed in Section 3 of this Report.

## **1.1 Purposes of this Report**

1. The purposes of this Report are to:
  - a) provide background information about the Company and these proceedings;
  - b) summarize the process carried out by the Receiver, in accordance with the Receivership Order, to solicit offers for the Company’s electrical and stage equipment, including cables, distributor panels and lighting (the “Equipment”);
  - c) summarize an opinion from Goldman Sloan Nash & Haber LLP (“GSNH”), the Receiver’s counsel, on the security granted to Screen Linx by the Company;
  - d) summarize the terms of an asset purchase agreement dated January 5, 2022 between the Receiver and Screen Linx (the “APA”) for the Equipment (the “Transaction”);
  - e) explain the Receiver’s rationale for seeking a Court order compelling Bob Kerby, the Company’s sole officer and director, to provide information to the Receiver regarding certain of the Company’s equipment which was purportedly sold in July 2021 and the Company’s pre-receivership operations; and
  - f) recommend that the Court make an order:
    - i. approving the Transaction and vesting in Screen Linx the Company’s right, title and interest in and to the Purchased Assets (as defined in the APA), free and clear of all liens, charges, security interests and encumbrances (the “Approval and Vesting Order”);

- ii. compelling Mr. Kerby to provide information to the Receiver regarding the Company's equipment purportedly sold in July 2021, including the name of the purchaser, the bank account where the proceeds were deposited and the applicable bank statements identifying the use of such proceeds; and
- iii. compelling Mr. Kerby to provide to the Receiver such other information and documentation related to the Company's pre-receivership business and operations that the Receiver reasonably requires to carry out its duties and obligations pursuant to the Receivership Order and as required by statute.

## 1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon (i) the Company's unaudited, incomplete and limited financial information; (ii) discussions with Mr. Kerby and the Company's legal counsel; and (iii) discussions with the Applicants' representative, and the Applicants' legal counsel.
2. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the Company's financial information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
3. The Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own diligence and any reliance placed by any party on the Company's financial information presented herein shall not be considered sufficient for any purpose whatsoever.

## 2.0 Background

1. The Company was incorporated under the *Business Corporations Act (Ontario)* in 1995.
2. Prior to the onset of the Covid-19 pandemic (the "Pandemic"), the Company provided stage and lighting-related electrical equipment for conventions, trade shows, music and other live performances in Southern Ontario.
3. The Receiver understands that the Company has not carried on active business operations since March 2020, consistent with the onset of the Pandemic. The Company does not currently have any employees.
4. Since at least the date of the Receivership Order, the Equipment was stored at a warehouse located at 22 Simpson Road, Bolton, Ontario (the "Premises") operated by HVAC Rentals ("HVAC"), which is believed to be an unrelated party. The Receiver has been advised that there is no written occupancy lease between the Company and HVAC and no lease payments have ever been made by the Company to HVAC.

5. Background information regarding the Company and the Applicants, including the acquisition by the Applicants of the Company's secured indebtedness which it formerly owed to Royal Bank of Canada ("RBC"), is included in the Application Record and is therefore not repeated in this Report. A copy of the Application Record is provided as Appendix "C", without attachments.
6. Additional information regarding KSV's involvement in these proceedings prior to the Receivership Order is included in KSV's Report to Court as Proposed Receiver dated September 23, 2021 (the "Proposed Receiver's Report"). A copy of the Proposed Receiver's Report is provided as Appendix "D", without attachments.
7. Additional information regarding the Company and these proceedings is posted on the Receiver's website at: <https://www.ksvadvisory.com/insolvency-cases/case/ctses>.

### 3.0 Bid Solicitation Process

1. The book value of the Equipment according to the Company's unaudited financial statements for the year ended May 30, 2020 is approximately \$1.55 million. The Receiver understands that a large portion of the Equipment was sold subsequent to that date and prior to the commencement of the receivership. It is unclear what happened to some or all of the proceeds of sale of this equipment, as discussed further in Section 4 of this Report.
2. In consultation with the Applicants, the Receiver commenced a process on September 30, 2021 to solicit bids for the Equipment in accordance with paragraph 3(j) of the Receivership Order. The process was expedited given the: (i) nominal book value of the Equipment, particularly after adjusting for the missing equipment; and (ii) risk that significant professional and administrative costs would erode recoveries if a longer process was conducted.
3. A summary of the solicitation process is as follows:
  - a) on September 30, 2021, the Receiver sent a letter (the "Solicitation Letter") to two liquidation firms (the "Liquidators"). A copy of the Solicitation Letter is attached as Appendix "E";
  - b) upon signing confidentiality agreements ("CA"), the Liquidators were provided a detailed asset listing and the opportunity to inspect the Equipment;
  - c) on October 4, 2021, the Receiver sent a letter similar to the Solicitation Letter to three of the Company's competitors<sup>1</sup>;
  - d) one competitor signed the CA. The Receiver provided this party with the detailed asset listing and accompanied them on a tour of the Premises to inspect the Equipment;

---

<sup>1</sup> Mr. Kerby did not identify any prospective purchasers for the Equipment.

- e) on October 5, 2021, the Receiver sent a letter to HVAC to advise of the solicitation process and the bid date; and
  - f) the Receiver asked that offers be submitted no later than October 12, 2021 (the “Offer Deadline”).
- 4. No party asked for additional time to submit an offer and no party raised an issue that the process was not of sufficient duration for them to perform due diligence to submit an offer.
  - 5. The Applicants consented to the Receiver’s solicitation process.

### 3.1 Results

- 1. Four proposals were submitted to the Receiver on the Offer Deadline. A summary of the offers is provided as Appendix “F”.
- 2. The Receiver discussed the offers with the Applicants. As the offers are materially less than the Company’s indebtedness owing to the Applicants, the Applicants requested an opportunity to approach a few parties with whom they have relationships (including one that the Receiver had previously contacted) to determine if these parties had an interest in the Equipment. At the same time, the Applicants requested permission from the Receiver to move the Equipment to their warehouse in order to minimize any potential storage charges that may be imposed by HVAC. The Receiver authorized the Applicants to take the foregoing steps, provided that they do so in collaboration with the Receiver, including making full disclosure to the Receiver regarding the parties they approached and the responses they received.
- 3. Of the three parties approached by the Applicants, one made an offer for the majority of the Equipment for approximately \$162,000. The other two parties did not submit offers.
- 4. Rather than accept the offer, the Applicants advised the Receiver that they would prefer to acquire the Equipment in satisfaction of a portion of their debt. The Applicants have agreed to do so for \$175,000 (plus any applicable taxes) to be satisfied by a reduction of the Debt. Based on the nominal book value of the remaining Equipment, and the value of the offers received relative to the Company’s indebtedness owing to the Applicants, the Receiver advised the Applicants that it was prepared to recommend its offer for approval by the Court.

### 3.2 APA

- 1. A copy of the APA is attached as Appendix “G”.
- 2. A summary of the key terms and conditions of the APA is provided below.
  - **Purchaser:** Screen Linx
  - **Purchased Assets:** the Equipment, as listed on schedule 2.1 of the APA.
  - **Purchase Price:** \$175,000 (plus taxes to the extent exigible) to be satisfied by the reduction of the Debt on a dollar-for-dollar basis.

- **Excluded Assets:** none.
- **Representation and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
- **Closing:** no later than five Business Days after the Approval and Vesting Order is entered, or such later date as the parties may agree in writing, acting reasonably.
- **Material Conditions:**
  - (i) No provision of any applicable law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction pursuant to the APA shall have been issued and in effect;
  - (ii) no motion, action or proceedings shall be pending to restrain or prohibit the completion of the Transaction; and
  - (iii) the Approval and Vesting Order shall have been issued and entered.
- **Termination:**
  - (i) The APA can be terminated:
    - upon mutual written agreement of the Receiver and Screen Linx; or
    - if any of the conditions in favour of the Receiver and Screen Linx are not waived or satisfied.

### 3.3 Security Opinion

1. The Receiver requested that GSNH review Screen Linx’s security over the Company (the “Security”).
2. GSNH’s opinion confirms the validity and enforceability of the Security subject to customary qualifications and assumptions. A copy of the security opinion will be made available to the Court should it wish to review it.
3. Other than the Receiver’s Charge and a nominal claim from Canada Revenue Agency in respect of source deductions (\$182), the Receiver is not aware of any claim that ranks in priority to the Security in relation to the Equipment, having conducted a review of the Company’s accounts and following counsel’s review of the personal property security registry system.
4. The Receivership Order grants the Receiver a charge on the Property, as that term is defined in the Receivership Order, for its fees and costs acting as Receiver, including those of its counsel (the “Costs”). The Applicants have agreed to pay the Costs.

### 3.4 Recommendation

1. The Receiver recommends that this Court approve the Transaction for the following reasons:
  - a) in the Receiver's view, the process to solicit proposals was conducted on a commercially reasonable basis and that the Equipment was exposed to the market for a sufficient period of time;
  - b) the Applicants were consulted with respect to the solicitation process and they consented to it;
  - c) based on the offers submitted, the value of the Equipment is significantly less than the Company's indebtedness to the Applicants;
  - d) the Receiver does not believe that further marketing of the Equipment is likely to generate recoveries greater than the Transaction and accordingly, any transaction for the Equipment would be materially less than the Company's indebtedness to Screen Linx;
  - e) professional costs are significant relative to the amount of the Applicants' debt owing to Screen Linx. It is not economic to conduct a longer sale process for the Equipment in these circumstances;
  - f) the Equipment is subject to the Security and the value ascribed to the Equipment is reasonable compared to the offers;
  - g) the Applicants are of the view that acceptance of their offer provides them with the best opportunity to minimize their losses; and
  - h) there are no known creditors with an interest in the Equipment that ranks in priority to Screen Linx, except for the Receiver in respect of the Costs. The Applicants have agreed to pay the Costs.

### 4.0 Bank Transactions

1. As discussed in the Proposed Receiver's Report, KSV requested that the Company provide it with an accounting of all assets sold, conveyed, or transferred during the two years preceding August 18, 2021.
2. The Company provided KSV with an invoice dated July 6, 2021 and two invoices dated July 14, 2021 in the total amount of \$355,775 (the "Proceeds"), which invoices identify the assets allegedly sold during this time period and which are Property subject to the Receivership Order.
3. Mr. Kerby advised KSV that the Proceeds were deposited into the Company's bank account at RBC. Subsequently, Mr. Kerby provided KSV with the RBC bank account number and advised that this is the only bank account held by the Company. Mr. Kerby also advised that the purchasers of these assets are arm's length to the Company and to Mr. Kerby; however, he refused to provide the identity of the purchasers.

4. On September 6, 2021, O'Connor MacLeod Hanna LLP, the Company's counsel, advised KSV that "\$231,000 of the proceeds of the sale of the equipment were paid to RBC to service the debt in question. The remainder was used to repay advances made to CTSES which were necessary to pay its operating costs, since its revenue had essentially ended due to COVID."

5. The Receivership Order includes the following in Paragraph 4:

**"EXAMINATIONS UNDER OATH**

4. THIS COURT ORDERS that, without limiting the provisions otherwise contained in this Order, the Receiver may, without further order of this Court, examine under oath any Person reasonably thought to have knowledge of the affairs of the Debtor, the Property, or any Person who is or has been an officer, a director or an employee of the Debtor, respecting the Property and any dealings with the Property and may order any person liable to be so examined to produce any books, documents, correspondence or papers in that person's possession or power relating in all or in part to the Debtor and any dealings with or in respect of the Property."
6. The Receiver requested copies of the bank statements from RBC in order to confirm that the Proceeds were deposited into the Company's bank account.
7. The Receiver reviewed the bank statements from July 2021 onwards. The largest deposit in this period was \$9,502 and total deposits were \$31,244. Copies of these statements are provided as Appendix "H".
8. On October 21, 2021, the Receiver contacted Mr. Kerby to ask him why the amounts he alleged were deposited in the RBC account are not reflected in the RBC bank statements. Mr. Kerby advised that the Proceeds were deposited into a different bank account. The Receiver requested details of this bank account; however, Mr. Kerby responded twice that this is a "personal matter" and refused to provide additional information. An email sent by the Receiver to Mr. Kerby on October 21, 2021 confirming this conversation is provided as Appendix "I".

#### **4.1 Requirement to Answer Questions**

1. Mr. Kerby has frustrated the Receiver's efforts to advance the receivership and realize on the Property. Mr. Kerby has, among other things, refused to identify the purchaser of the recent equipment sales and the bank account where the Proceeds were deposited.
2. The Receiver has made Mr. Kerby aware of his obligations pursuant to the Receivership Order. Accordingly, the Receiver recommends that the Court make an Order compelling Mr. Kerby to respond to the Receiver's enquiries in compliance with the Receiver's duly authorized requests and enquiries. The Receiver has advised Mr. Kerby that it intends to seek an order finding him in contempt of Court if he does not comply.

## 5.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Court make an order granting the relief detailed in Section 1.1 (1)(f) of this Report.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
CONVENTION & TRADE SHOW ELECTRICAL SERVICES LIMITED,  
AND NOT IN ANY OTHER CAPACITY**

## **Appendix “F”**

Convention & Trade Show Electrical Services Ltd.  
**Statement of Receipts and Disbursements**  
**For the period October 26, 2021 to May 31, 2022**

(\$)

---

Receipts

Funding from Screen Linx	70,526
HST refunds	7,816
Interest	<u>8</u>
	78,351

Disbursements

Receiver fees (including pre-filing)	52,879
Records storage and third-party services	8,234
Insurance	3,870
IT services	1,966
HST paid	8,591
License fee	275
Mail redirection	171
Filing fees	73
Bank charges	<u>76</u>
	76,135

Balance in Receiver's account	<u><u>2,215</u></u>
-------------------------------	---------------------

## **Appendix “G”**

**From:** Emily Klein <[eklein@ksvadvisory.com](mailto:eklein@ksvadvisory.com)>

**Sent:** January 18, 2022 10:51 AM

**To:** Bob Kerby <[bkerby@bobschruises.com](mailto:bkerby@bobschruises.com)>

**Cc:** Bobby Kofman <[bkofman@ksvadvisory.com](mailto:bkofman@ksvadvisory.com)>; Mitch Vininsky <[mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)>; Mario J Forte ([forte@gsnh.com](mailto:forte@gsnh.com)) <[forte@gsnh.com](mailto:forte@gsnh.com)>

**Subject:** Convention & Trade Show Electrical Services Ltd.

Mr. Kerby,

You may recall our discussion and subsequent correspondence on October 21, 2021 regarding the sale of CTSES's equipment, which we summarized as follows:

- You made sales to third parties in the approximate amount of \$355,000 in July 2021;
- We reviewed the bank statements for what you advised us is CTSES's only bank account (RBC account 03592 104-291-0) in the year preceding the date of the Receivership Order;
- We advised you that the proceeds from the sales are not reflected in the bank statements;
- You confirmed that the invoices were paid in full and that you deposited the proceeds into another account; and
- We asked for details of the account. You refused to provide the information and responded twice that it is a "private matter".

Pursuant to an order of the Ontario Superior Court of Justice dated January 14, 2022 (the "Information Order"), the Court ordered that you "shall be required to attend (including virtually if practical and acceptable to the Receiver) at the time and place to be provided by the Receiver and to answer all questions put to him [meaning, you] by the Receiver pertaining to the Proceeds and Property and to produce all books, records, documents, and correspondence in his possession or control relating to the Property or the Proceeds, failing which the Receiver shall be entitled to apply to this court for a finding of contempt in respect of Mr. Kerby's conduct". A copy of the Information Order is attached. In case there is any misunderstanding as to the purpose and intent of the Receiver's enquiries, the Receiver is an officer of the court and owes a duty to the Court and the stakeholders in this receivership proceeding. You are best advised to treat the enquiries being made of you as the direct enquiries of the Court and not a private litigant. The consequences of the failure to comply with the order of the Court are significant.

Accordingly, in advance of scheduling the attendance referenced above, we ask that you please provide the following information:

- The bank where the approximately \$355,000 (the "Proceeds") was deposited, including a bank statement identifying the deposit(s);
- The name and contact information of the purchaser(s) related to the sale that resulted in the Proceeds; and
- The applicable bank statements identifying the use of the Proceeds.

Please provide this information no later than Friday, January 21, 2022 at 5:00 pm.

Thank you,



**Emily Klein**

Senior Associate

**T**

416.932.6259

**M**

905.809.7331

**E**

[eklein@ksvadvisory.com](mailto:eklein@ksvadvisory.com)

---

**KSV Advisory Inc.**

150 King Street West

Suite 2308, Box 42

Toronto, Ontario, M5H 1J9

**T** 416.932.6262 | **F** 416.932.6266 | [www.ksvadvisory.com](http://www.ksvadvisory.com)

## **Appendix “H”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED**

**Applicants**

**-and-**

**CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.**

**Respondent**

**AFFIDAVIT OF MITCH VININSKY  
(Sworn June 30, 2022)**

I, Mitch Vininsky, of the City of Toronto, in the Province of Ontario, MAKE OATH AND  
SAY:

1. I am a Managing Director of KSV Restructuring Inc. ("KSV").
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on September 27, 2021 (the "Receivership Order"), KSV was appointed as receiver and manager (the "Receiver") of the property, assets and undertaking (the "Property") of Convention & Trade Show Electrical Services Ltd. (the "Company").
3. I have been involved in the management of this mandate since the proceeding commenced. As such, I have knowledge of the matters to which I hereinafter depose.
4. On June 30, 2022, the Receiver issued its Second Report to Court in which it outlined its activities with respect to the Company and provided information with respect to its fees.

5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods September 13, 2021 to January 31, 2022 and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by it.

6. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of KSV who have worked on this matter, including their roles, hours and rates, and I hereby confirm that the list represents an accurate account of such information.

7. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

8. I also confirm that the Receiver has not received, nor expects to receive, nor has the Receiver been promised any remuneration or consideration other than the amount claimed in the accounts.

**SWORN BEFORE ME** at the City of  
Toronto, on June 30, 2022.



Catherine Anne Stuyck-Therault,  
a Commissioner, etc., Province of Ontario for  
KSV Advisory Inc. and KSV Restructuring Inc.  
Expires February 19, 2025



Mitch Vininsky

This is Exhibit "A" referred to in the  
Affidavit of Mitch Vininsky sworn before  
me, this 30<sup>th</sup> day of June, 2022



---

Catherine Anne Stuyck-Therault, a Commissioner, etc.,  
Province of Ontario, for KSV Advisory Inc. and KSV Restructuring Inc.  
Expires February 19, 2025

**ksv advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

---

**INVOICE**

Scott Turner  
Starline Production Rentals Inc.  
585 Southdown Rd.  
Mississauga, ON L5J 4V1

November 5, 2021

Invoice No: 2386

HST #: 818808768RT0001

**Re: Convention & Trade Show Electrical Services Ltd. (the "Company")**

For professional services rendered from September 13, 2021 to October 31, 2021 by KSV Restructuring Inc. ("KSV") in its capacity as Court-appointed receiver and manager (the "Receiver") of the Company's property, assets and undertaking pursuant to an order made on September 27, 2021 (the "Receivership Order") by the Ontario Superior Court of Justice – Commercial List (the "Court"), including:

- Attending a call on September 17, 2021 with Torkin Manes LLP ("Torkin Manes"), counsel to Screen Linx Management Limited and Starline Production Rentals Inc. (together, "Starline"), and with Goldman, Sloan, Nash and Haber LLP ("GSNH"), counsel to the Receiver, to prepare for the Company's receivership proceedings;
- Reviewing and commenting on the receivership application materials, including the Receivership Order and Starline's Factum;
- Drafting the First Report to Court of KSV as Proposed Receiver of the Company dated September 23, 2021;
- Preparing for the Company's receivership proceedings, including preparing and updating a checklist of matters to be addressed immediately following the commencement of the proceedings;
- Attending at Court (virtually) on September 27, 2021 for the receivership application;
- Corresponding and attending calls on September 27, 2021 with HVAC Rentals Inc. ("HVAC") to schedule an inspection of the Company's equipment (the "Equipment") located at 22 Simpson Road, Bolton (the "Premises");
- Attending at the Premises on September 27 and 28, 2021 to inspect the Equipment and create an asset list;
- Reviewing information provided by the Company's counsel, O'Connor Macleod Hanna LLP ("OMH"), including a statement of account for source deductions;
- Drafting an information request letter dated September 27, 2021 and sending it to the Company and OMH;

- Corresponding with the Company regarding, among other things, the Company's assets sold in 2021 and where the proceeds were deposited, including emails sent on September 27, 30, October 4, 5, 21 and 25, 2021 and calls on October 1 and 21, 2021;
- Corresponding with Starline, including emails sent on September 13, 14, 15, 22, 27, 30, October 1, 14, 15, 18, 21, 25 and 26, 2021 and calls on September 27, 28 and October 18, 2021;
- Corresponding with Starline and HVAC regarding the removal of the Equipment from the Premises to Starline's warehouse, including emails sent on October 19, 21 and 25, 2021;
- Corresponding with Aon Reed Stenhouse Inc., an insurance broker, regarding insurance coverage on the Company's remaining assets, including emails sent on October 1 and 4, 2021;
- Drafting the Notice and Statement of the Receiver (the "Receiver's Notice") as required under Sections 245 and 246 of the *Bankruptcy and Insolvency Act*;
- Compiling a list of the Company's creditors to include with the Receiver's Notice;
- Drafting a letter to Royal Bank of Canada ("RBC") dated October 1, 2021 to request copies of the Company's bank statements and to freeze the Company's bank account;
- Summarizing the Company's RBC bank statements for the period September 2020 to September 2021;
- Drafting a letter to Canada Revenue Agency ("CRA") dated September 30, 2021 to provide notice of the receivership and request that the Receiver be added as the sole representative on the Company's CRA accounts;
- Corresponding with CRA regarding the Company's payroll and sales tax accounts;
- Attending at the Company's head office in Oakville on October 6, 2021 with Kroll, LLC ("Kroll"), the Receiver's agent, to copy the Company's computer systems and take possession of its books and records;
- Drafting an interest solicitation letter and a confidentiality agreement to prospective purchasers of the Equipment;
- Attending at the Premises on October 4 and 8, 2021 to provide parties an opportunity to inspect the Equipment;
- Reviewing and summarizing offers to purchase the Equipment (the "Offer Summary");
- Corresponding with Starline regarding the Offer Summary;
- Drafting the Receiver's First Report to Court, to be filed, regarding, among other things, approval of a transaction for the Equipment;
- Posting Court materials on the Receiver's website; and

- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	\$	38,094.43
HST		<u>4,952.28</u>
Total due	\$	<u><u>43,046.71</u></u>

KSV Restructuring Inc.  
Convention & Trade Show Electrical Services Ltd.

**Time Summary**

For the period from September 13, 2021 to October 31, 2021

<b>Personnel</b>	Hours	Rate (\$)	Amount (\$)
Bobby Kofman	4.50	750	3,375.00
Mitch Vininsky	21.20	650	13,780.00
Emily Klein	33.10	400	13,240.00
Administration and other	8.20	150-200	1,392.50
Fees			31,787.50
Out of pocket disbursements*			6,306.93
Total fees and disbursements			38,094.43

\*includes insurance and the Receiver's agent, Tert & Ross, re inventory count and removal of records.

**ksv advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

---

**INVOICE**

Scott Turner  
Starline Production Rentals Inc.  
585 Southdown Rd.  
Mississauga, ON L5J 4V1

December 14, 2021

Invoice No: 2436

HST #: 818808768RT0001

**Re: Convention & Trade Show Electrical Services Ltd. (the "Company")**

For professional services rendered during November 2021 by KSV Restructuring Inc. ("KSV") in its capacity as Court-appointed receiver and manager (the "Receiver") of the Company's property, assets and undertaking pursuant to an order made on September 27, 2021 (the "Receivership Order") by the Ontario Superior Court of Justice – Commercial List (the "Court"), including:

- Drafting the Receiver's First Report to Court ("First Report"), to be filed, regarding, among other things, approval of a transaction for the Company's equipment ("Equipment");
- Reviewing and commenting on an Asset Purchase Agreement ("APA") between the Receiver and Screen Linx Management Limited ("Screen Linx") regarding a transaction for the Equipment;
- Corresponding with Goldman, Sloan, Nash and Haber LLP ("GSNH"), counsel to the Receiver, regarding the APA and the First Report;
- Corresponding with Screen Linx and Starline Production Rentals Inc. (together, "Starline"), including emails sent on November 11, 23, 26, and 29, 2021 and calls on November 3 and 16, 2021, regarding the status of the transaction for the Equipment and the APA;
- Corresponding with the Company regarding Canada Revenue Agency's request to reconcile remitted source deductions;
- Corresponding with certain creditors regarding the status of the receivership proceedings;
- Dealing with the Company's HST filings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	\$ 4,808.88
HST	<u>625.15</u>
Total due	<u>\$ 5,434.03</u>

KSV Restructuring Inc.  
Convention & Trade Show Electrical Services Ltd.

**Time Summary**

For the period from November 1, 2021 to November 30, 2021

<b>Personnel</b>	Hours	Rate (\$)	Amount (\$)
Bobby Kofman	1.45	750	1,087.50
Mitch Vininsky	4.40	650	2,860.00
Emily Klein	0.50	400	200.00
Administration and other	1.70	150-200	261.25
Fees			4,408.75
Out of pocket disbursements			400.13
Total fees and disbursements			4,808.88

**ksv advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

---

**INVOICE**

Scott Turner  
Starline Production Rentals Inc.  
585 Southdown Rd.  
Mississauga, ON L5J 4V1

February 10, 2022

Invoice No: 2509

HST #: 818808768RT0001

**Re: Convention & Trade Show Electrical Services Ltd. (the "Company")**

For professional services rendered during December 2021 and January 2022 by KSV Restructuring Inc. ("KSV") in its capacity as Court-appointed receiver and manager (the "Receiver") of the Company's property, assets and undertaking pursuant to an order made on September 27, 2021 (the "Receivership Order") by the Ontario Superior Court of Justice – Commercial List (the "Court"), including:

- Drafting the Receiver's First Report to Court dated January 5, 2022 ("First Report") regarding, among other things, approval of a transaction for the Company's equipment ("Equipment") and seeking to compel Bob Kerby, the sole director and officer of the Company, to provide information to the Receiver;
- Reviewing and commenting on the Court materials associated with the First Report, including a Notice of Motion and draft Order;
- Corresponding with Goldman, Sloan, Nash and Haber LLP ("GSNH"), counsel to the Receiver, regarding, *inter alia*, the Asset Purchase Agreement ("APA") between the Receiver and Screen Linx Management Limited regarding the transaction for the Equipment;
- Corresponding with Screen Linx Management Limited and Starline Production Rentals Inc. (together, "Starline") regarding, *inter alia*, the transaction for the Equipment and the information requests sent to Bob Kerby, including on January 6, 14, 18, 21, 24, 25, and 26, 2022;
- Attending at Court (virtually) on January 14, 2022;
- Corresponding and attending a call on January 21, 2022 with Mr. Kerby regarding the Company's assets sold in 2021, the bank account into which the proceeds were deposited and his obligations to respond to the Receiver as set out in the Court Order dated January 14, 2022;
- Reviewing correspondence from Canada Revenue Agency regarding outstanding HST returns; and

- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	\$	7,954.45
HST		<u>1,034.08</u>
Total due	\$	<u><u>8,988.53</u></u>

KSV Restructuring Inc.  
Convention & Trade Show Electrical Services Ltd.

**Time Summary**

For the period from December 1, 2021 to January 31, 2022

<b>Personnel</b>	Hours	Rate (\$)	Amount (\$)
Bobby Kofman	2.35	750-775	1,811.25
Mitch Vininsky	5.60	650-675	3,772.50
Emily Klein	3.90	400	1,560.00
Administration and other	3.10	150-200	639.25
Fees			7,783.00
Out of pocket disbursements			171.45
Total fees and disbursements			7,954.45

Effective January 1, 2022, the hourly rates of Mr. Kofman and Mr. Vininsky increased by \$25.

This is Exhibit "B" referred to in the  
Affidavit of Mitch Vininsky sworn before  
me, this 30<sup>th</sup> day of June, 2022



---

Catherine Anne Stuyck-Therault, a Commissioner, etc.,  
Province of Ontario, for KSV Advisory Inc. and KSV Restructuring Inc.  
Expires February 19, 2025

Convention &amp; Trade Show Electrical Services Ltd.

**Schedule of Professionals' Time and Rates****For the Period of September 13, 2021 to January 31, 2022**

---

<u>Name</u>	<u>Role</u>	<u>Billing Rate (Per Hour)</u>
Robert Kofman	File management	\$ 750 - 775
Mitch Vininsky	All aspects of mandate	\$ 650 - 675
Emily Klein	Sale process	\$ 400
Other staff and administrative		\$ 176
Total hours		90
Total fees		\$ 43,979
Average hourly rate		\$ 489

## **Appendix “I”**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

B E T W E E N:

STARLINE PRODUCTION RENTALS INC. and  
SCREEN LINX MANAGEMENT LIMITED

Applicants

-and-

CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.

Respondent

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 MARIO J. FORTE  
(Sworn June 30, 2022)

I, Mario J. Forte, of the City of Toronto, hereby MAKE OATH AND SAY:

1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am counsel to the law firm of Goldman Sloan Nash & Haber LLP (“GSNH”) and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
2. GSNH are lawyers of record for KSV Restructuring Inc. (“KSV”) in its capacity as Court-appointed Receiver (the “Receiver”) of all the assets, undertakings and properties of Convention & Trade Show Electrical Services (“CTSES”).
3. Attached as **Exhibit “A”** to this affidavit is a copy of Invoice 188615 rendered by GSNH to KSV in its capacity as Receiver for fees and disbursements incurred by GSNH in the course of the proceedings between August 18, 2021 and January 14, 2022 (“188615”). The fees charged by GSNH under 188615 were \$6,535.50, plus disbursements of \$112.15 plus HST in the amount of \$863.16 for a total of \$7,510.81.

4. Attached as **Exhibit "B"** to this affidavit is a copy of Invoice 190721 rendered by GSNH to KSV in its capacity as Receiver for fees and disbursements incurred by GSNH in the course of the proceedings between January 21, 2022 and June 20, 2022 ("**190721**"). The fees charged by GSNH under 190721 were \$357.00, plus disbursements of \$320.00 plus HST in the amount of \$46.41 for a total of \$8,234.22.
5. Attached as **Exhibit "C"** is a summary of all invoices rendered by GSNH to KSV for fees and disbursements incurred by GSNH in the course of the proceedings between January 30, 2020 and May 2, 2022.
6. It is anticipated that the fees and disbursements incurred in the preparation and presentation of this motion and to be incurred in the balance of the administration of the receivership will not exceed \$750.00.
7. To the best of my knowledge the rates charged by GSNH throughout the course of this proceeding are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

SWORN before me at the City of Toronto,  
in the Province of Ontario  
this 30<sup>th</sup> day of June, 2022



A Commissioner for taking oaths, etc.

)  
)  
)  
)  
)



MARIO J. FORTE

Cheryl Elizabeth Cochrane,  
a Commissioner, etc. Province of Ontario  
for Goldman Sloan Nash & Haber LLP  
Barristers and Solicitors  
Expires April 4, 2023

*This is **Exhibit "A"** referred to  
in the Affidavit of Mario Forte  
sworn before me this 30<sup>th</sup> day of June, 2022*



A Commissioner for taking oaths, etc.

Cheryl Elizabeth Cochrane,  
a Commissioner, etc. Province of Ontario,  
for Goldman Sloan Nash & Haber LLP,  
Barristers and Solicitors.  
Expires April 4, 2023.



Suite 1600  
480 University Avenue  
Toronto, Ontario  
M5G1V2

Telephone: (416) 597-9922  
Facsimile: (416) 597-3370

KSV Restructuring Inc.  
150 King Street West  
Suite 2308  
Toronto, ON M5H 1J9  
Canada

Billing Lawyer Mario Forte  
Invoice No. 188615  
HST # 12233 6290 RT0001  
Invoice Date January 17, 2022

Attention: Mr. Bobby Kofman

Client ID: 102464 Matter ID: 0002

RE: Convention & Trade Show Electrical Services Ltd.

FOR PROFESSIONAL SERVICES RENDERED through January 14, 2022

Date	Professional	Hours	Narrative	Amount
08/18/21	MJF	1.30	Attend initial hearing for receivership app and follow up advice and guidance on process etc.;	773.50
08/23/21	MJF	0.20	Assisting with completion of endorsement for interim agency arrangements;	119.00
08/24/21	MJF	0.10	Assisting with information request;	59.50
08/30/21	MJF	0.20	Discussion with counsel on elements of receivership and agency issues;	119.00
09/17/21	MJF	0.40	Discussion on aspects of receivership mandate;	238.00
09/20/21	MJF	0.20	Review and comment on brief agency report;	119.00
09/22/21	MJF	0.10	Assisting and advising on materials and other matters;	59.50
09/27/21	MJF	0.10	Attend hearing for receivership mandate;	59.50
10/21/21	MJF	0.30	Discussion concerning issues arising from inconsistencies in information from debtor officer (Kerby);	178.50



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

Date	Professional	Hours	Narrative	Amount
10/25/21	MJF	2.80	Review background documents and security and draft security opinion concerning relevant security over CTSES assets;	1,666.00
10/26/21	MMC	0.20	Order Verbal PPSA Search against Convention & Trade Show Electrical Services Ltd.;	50.00
10/27/21	MJF	2.40	Review and revise draft report and advise on various matters in sale process etc.; prepare draft court materials to address sale and information compliance mandates;	1,428.00
11/26/21	MJF	1.10	Draft simple form APA;	654.50
11/28/21	MJF	0.40	Discussions and advice on structuring of transaction etc.;	238.00
11/29/21	MJF	0.20	Revise and complete draft APA;	119.00
01/06/22	MJF	0.40	Complete motion materials and commercial docs;	238.00
01/10/22	MJF	0.30	Discussion with counsel concerning motion and position thereon with view to promoting cooperation;	178.50
01/11/22	MJF	0.10	Discussion concerning counsel's retiring from file;	59.50
01/14/22	MJF	0.30	Attend hearing and deal with follow up matters with counsel	178.50
<b>Sub-Total Fees:</b>				6,535.50
<b>HST on Fees:</b>				849.62

**SUMMARY OF PROFESSIONAL SERVICES**

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
May May Co	0.20	250.00	50.00
Mario Forte	10.90	595.00	6,485.50
	<u>11.10</u>		<u>6,535.50</u>

**DISBURSEMENTS**

Laser Copies	82.00
On Corp. Fee	22.15
OnCorp. Gov't Fee* *	8.00

**Sub-Total Disbursements:** 112.15  
Disbursements marked with \* indicate exempt

**HST on Disbursements:** 13.54

**TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$863.16 HST):** \$ 7,510.81

**THIS IS OUR ACCOUNT HEREIN**

**GOLDMAN SLOAN NASH & HABER LLP**

A handwritten signature in black ink, appearing to be 'Mario Forte', written in a cursive style.

Per: Mario Forte

E. & O. E.



Suite 1600  
480 University Avenue  
Toronto, Ontario  
M5G1V2

Telephone: (416) 597-9922  
Facsimile: (416) 597-3370

## Remittance Advice

KSV Restructuring Inc.  
150 King Street West  
Suite 2308  
Toronto, ON M5H 1J9  
Canada

Attention: Mr. Bobby Kofman

Invoice No. 188615  
Invoice Date: January 17, 2022

Client ID: 102464  
Matter ID: 0002  
Billing Attorney: MJF

Current Billing: 7,510.81

Previous Balance: 0.00

**Total Amount: 7,510.81**

Amount Remitted: \$ \_\_\_\_\_

*This is **Exhibit "B"** referred to  
in the Affidavit of Mario Forte  
sworn before me this 30<sup>th</sup> day of June, 2022*



A Commissioner for taking oaths, etc.

Cheryl Elizabeth Cochrane,  
a Commissioner, etc., Province of Ontario  
for Goldman Sloan Nash & Haber LLP  
Barristers and Solicitors  
Expires April 4, 2023



Suite 1600  
480 University Avenue  
Toronto, Ontario  
M5G1V2

Telephone: (416) 597-9922  
Facsimile: (416) 597-3370

KSV Restructuring Inc.  
150 King Street West  
Suite 2308  
Toronto, ON M5H 1J9  
Canada

Billing Lawyer Mario Forte  
Invoice No. 190721  
HST # 12233 6290 RT0001  
Invoice Date June 22, 2022

Attention: Mr. Mitch Vininsky

Client ID: 102464 Matter ID: 0002

RE: Convention & Trade Show Electrical Services Ltd.

FOR PROFESSIONAL SERVICES RENDERED

Date	Professional	Hours	Narrative	Amount
01/21/22	MJF	0.10	Discussion and advice on BK cooperation etc.;	59.50
01/25/22	MJF	0.10	Receive and consider update from secured creditor on discussions with BK and related matters;	59.50
06/20/22	MJF	0.40	Review and comment on draft report and review various orders to consider discharge parameters	238.00

Sub-Total Fees: 357.00

HST on Fees: 46.41

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Mario Forte	0.60	595.00	357.00
	0.60		357.00

DISBURSEMENTS



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

01/10/2022 Filing a Motion Record \* 320.00

**Sub-Total Disbursements:** 320.00  
Disbursements marked with \* indicate exempt

**on Disbursements:** 0.00

**TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$46.41 HST):** \$ **723.41**

**THIS IS OUR ACCOUNT HEREIN**

**GOLDMAN SLOAN NASH & HABER LLP**



Per: Mario Forte

E. & O. E.



Suite 1600  
480 University Avenue  
Toronto, Ontario  
M5G1V2

Telephone: (416) 597-9922  
Facsimile: (416) 597-3370

## Remittance Advice

KSV Restructuring Inc.  
150 King Street West  
Suite 2308  
Toronto, ON M5H 1J9  
Canada

Attention: Mr. Mitch Vininsky

Invoice No. 190721  
Invoice Date: June 22, 2022

Client ID: 102464  
Matter ID: 0002  
Billing Attorney: MJF

Current Billing:	723.41
Previous Balance:	0.00
<b>Total Amount:</b>	<b>723.41</b>
Amount Remitted:	\$ _____

*This is Exhibit "C" referred to  
in the Affidavit of Mario Forte  
sworn before me this 30<sup>th</sup> day of June, 2022*



A Commissioner for taking oaths, etc.

Cheryl Elizabeth Cochrane,  
a Commissioner, etc., Province of Ontario  
for Goldman Sloan Nash & Haber LLP,  
Barristers and Solicitors.  
Expires April 4, 2023.

**Summary of Invoices of  
Goldman Sloan Nash & Haber LLP  
for the period August 18, 2021 to June 20, 2022**

Invoice No	Fees	Disbursements	HST	Hours	Average Rate	Total
<b>188615</b> (18 Aug 21 to 14 Jan 22)	\$6,535.50	\$112.15	\$863.16	11.10	\$422.50	\$7,510.81
<b>190721</b> (21 Jan 22 to 20 Jun 22)	\$357.00	\$320.00	\$46.41	0.60	\$595.00	\$723.41
<b>Total</b>	<b>\$6,892.50</b>	<b>\$432.15</b>	<b>\$909.57</b>	<b>11.70</b>		<b>\$8,234.22</b>

**STARLINE PRODUCTION RENTALS INC. and SCREEN LINX MANAGEMENT  
LIMITED  
-and-  
CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD.**

Court File No. CV-21-00667170-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceeding commenced TORONTO**

**AFFIDAVIT OF MARIO J. FORTE  
(Sworn June 30, 2022)**

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto ON M5G 1V2  
Fax: 416-597-3370

**Mario Forte (LSO #27293F)**  
Tel: 416-597-6477  
Email: forte@gsnh.com

Lawyers for the Receiver, KSV Restructuring Inc. in  
its capacity as receiver of the assets, property and  
undertaking of Convention & Trade Show Electrical  
Services Ltd.