



**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

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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>
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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 “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".

Superior Court of Justice (Toronto)

## **Appendix “B”**



**Emily Klein**

**ksv advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

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F +1 416 932 6266

eklein@ksvadvisory.com

ksvadvisory.com

---

August 24, 2021

**DELIVERED BY E-MAIL (niedzviecki@omh.ca)**

O'Connor MacLeod Hanna LLP  
700 Kerr Street  
Oakville, Ontario L6K 3W5

**Attention: Orie Niedzviecki**

Dear Mr. Niedzviecki:

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

We are writing to you in your capacity as counsel to the Company for the purpose of communicating the following requirements pursuant to a consent endorsement of the Ontario Superior Court of Justice dated August 18, 2021 (the "Consent Endorsement"), all more particularly set out below. As you are aware, the Company is required to provide certain information to Screen Linx Management Limited (the "Applicant") or such agents as the Applicant may appoint. We confirm that the Applicant has appointed KSV Restructuring Inc. as agent as contemplated in the Consent Endorsement (the "Agent").

Pursuant to the terms of the Consent Endorsement, the Company must forthwith provide the following information (the "Information"):

- the location of all assets of the Company ("Assets") that are not located at 22 Simpson Road, Bolton, ON (the "Bolton Location");
- an accounting of all Assets sold, conveyed or transferred in the two (2) year period preceding August 18, 2021, including, a description of the Assets 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;
- 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
- the status of any governmental obligations owing by the Company, including, without limitation, unremitted HST, employee source deductions and other similar obligations.

The Agent requires that you please arrange for your client to provide the Information by Thursday, August 26, 2021 at 4 pm. Please send the Information by email to Emily Klein of the Agent's office ([eklein@ksvadvisory.com](mailto:eklein@ksvadvisory.com)) or deliver it to the Agent's office at 150 King Street West, Suite 2308, Toronto, Ontario, M5H 1J9.

Yours very truly,

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS AGENT OF SCREEN LINX MANAGEMENT LIMITED  
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITIES**

A handwritten signature in black ink, appearing to read "Emily Klein", is written over a faint, light blue circular stamp.

Per: Emily Klein

Encl.

c.c. Bobby Kofman and Mitch Vininsky (KSV Restructuring Inc.)  
Mario Forte (Goldman, Sloan, Nash and Haber LLP)



## **Appendix “C”**

**From:** Orie Niedzwiecki <niedzwiecki@omh.ca>  
**Sent:** September 6, 2021 6:17 AM  
**To:** 'Mario Forte' <forte@gsnh.com>  
**Cc:** Emily Klein <eklein@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; Bobby Kofman <bkofman@ksvadvisory.com>  
**Subject:** RE: CTSES

Mario:

Further to your letter of August 24, 2021, I have the following responses:

- 1) All assets are at 22 Simpson Road in Bolton, Ontario;
- 2) I attach three invoices dated July 6, July 6, and July 14, 2021 which identify the items sold and the prices;
- 3) There is no written agreement for the storage of the equipment at 22 Simpsons Road, Bolton, and no rent is currently payable. There are no oral terms for use of the storage space other than at some point some agreement will be made to compensate the landlord. No rent is being paid; and
- 4) There are no unremitted HST or statutory employee deductions.

\$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.

**Orie Niedzwiecki, B.Sc. (Hons.), M.A., J.D.**

**Licensed to practice in Ontario and the District of Columbia**

**O'CONNOR  
MACLEOD  
HANNA LLP**

700 Kerr Street, Oakville, Ontario, L6K 3W5  
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**From:** Mario Forte <[forte@gsnh.com](mailto:forte@gsnh.com)>  
**Sent:** August 30, 2021 10:27 AM  
**To:** Orie Niedzwiecki <[niedzwiecki@omh.ca](mailto:niedzwiecki@omh.ca)>  
**Cc:** Emily Klein <[eklein@ksvadvisory.com](mailto:eklein@ksvadvisory.com)>; Mitch Vininsky (<[mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)>); Bobby Kofman (<[bkofman@ksvadvisory.com](mailto:bkofman@ksvadvisory.com)>)  
**Subject:** CTSES

Good morning, Orie.

I am attaching the agent's information request which was sent to you on your client's behalf on Tuesday, August 24, 2021, pursuant to Justice Conway's endorsement of August 18, 2021. The agent advises that it has received no response from Mr. Kerby or any other representative of CTSES to this request. Given the substance of the issues surrounding the assets (location, condition, number, potential encumbrances and the like) and the transparent intention to obtain a timely response to these issues which was articulated to the Court, it is disappointing that no response was offered, nor an acknowledgement that the information was in the process of being collected as contemplated in the information request and endorsement. Would you please confer with your client and confirm that the material will be forthcoming without further delay. If there is to be any further delay, an acknowledgment that the request is in hand, and the reasons for such a delay so that the agent can respond accordingly.

Obviously, the expectation inherent in the consent endorsement is predicated on the parties' intent to address these issues cooperatively. We trust that your client will bear that in mind in responding to this second request.

Thank you,

Mario

**MARIO FORTE**



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct 416 597 6477 | Fax 416 597 3370 | [forte@gsnh.com](mailto:forte@gsnh.com) | [www.gsnh.com](http://www.gsnh.com)

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## **Appendix “D”**

**From:** Orie Niedzwiecki <niedzwiecki@omh.ca>

**Sent:** September 14, 2021 10:55 AM

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

**Cc:** Mario Forte - Goldman Sloan Nash & Haber LLP Barristers and Solicitors (forte@gsnh.com) <forte@gsnh.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Emily Klein <eklein@ksvadvisory.com>

**Subject:** RE: CTSES

Mitch:

Further to your e-mails of September 7 and 9 I can relay the following information in response to your queries:

1. The invoices you provided were from JK Power Services. How is that entity related to CTSES? Did CTSES sell equipment to JK Power Services? If not, what is the relationship between CTSES and JK Power? **The legal name of the company is " Convention & Trade Show Electrical Services Ltd " and the day to day registered operating name of the company is " JK Power Services ";**
2. Please identify the purchaser or purchasers of the equipment referenced in the invoices. Are they arm's length to CTSES and Bob Kerby? **The purchasers are arm's length to CTSES and Bob Kerby;**
3. Please provide serial numbers, where applicable, of the equipment sold and confirm that HST was collected and remitted in connection with the sales. **There are no serial numbers applicable to the sales and HST was not collected;**
4. Bob Kerby advised us that monthly rent of \$3,500 was outstanding for the four months ended August 31<sup>st</sup>. The representative of HVAC Rentals also advised us that rent was due for the storage area. Can you explain how this reconciles with your statement that no rent is currently payable? **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 \$3500 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;**
5. Please provide the most recent HST and source deduction account statements from CRA. **Attached.**
6. (#1) The date that the funds (\$231,000) were paid to RBC. **Payments to RBC – five payments were made of \$52,350.41 each, including HST, paid on Oct 8/20, Oct 30/20, Jan 8/21, Feb 23/21, and Mar 30/21; and**
7. (#2) The amount that was used to repay advances to CTSES along with the payee of such amount. **Total advances from Bob Kerby to CTSES during Covid 19 were in excess of \$300,000, and a payment to Bob Kerby was made in the amount of \$124,135.**

**Orie Niedzwiecki, B.Sc. (Hons.), M.A., J.D.**

Licensed to practice in Ontario and the District of Columbia

**O'CONNOR  
MACLEOD  
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**From:** Mitch Vininsky <[mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)>

**Sent:** September 9, 2021 3:23 PM

**To:** Orie Niedzwiecki <[niedzwiecki@omh.ca](mailto:niedzwiecki@omh.ca)>

**Cc:** Mario Forte - Goldman Sloan Nash & Haber LLP Barristers and Solicitors ([forte@gsnh.com](mailto:forte@gsnh.com))

<[forte@gsnh.com](mailto:forte@gsnh.com)>; Bobby Kofman <[bkofman@ksvadvisory.com](mailto:bkofman@ksvadvisory.com)>; Emily Klein

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

**Subject:** RE: CTSES

Orie, in addition to the below, please let us know:

1. The date that the funds (\$231,000) were paid to RBC.
2. The amount that was used to repay advances to CTSES along with the payee of such amount.



**Mitch Vininsky**

Managing Director

T 416.932.6013

M 416.254.4912

W [www.ksvadvisory.com](http://www.ksvadvisory.com)

**From:** Mitch Vininsky

**Sent:** September 7, 2021 8:06 AM

**To:** 'Orie Niedzwiecki' <[niedzwiecki@omh.ca](mailto:niedzwiecki@omh.ca)>

**Cc:** Mario Forte - Goldman Sloan Nash & Haber LLP Barristers and Solicitors ([forte@gsnh.com](mailto:forte@gsnh.com))  
<[forte@gsnh.com](mailto:forte@gsnh.com)>; Bobby Kofman <[bkofman@ksvadvisory.com](mailto:bkofman@ksvadvisory.com)>; Emily Klein ([eklein@ksvadvisory.com](mailto:eklein@ksvadvisory.com))  
<[eklein@ksvadvisory.com](mailto:eklein@ksvadvisory.com)>

**Subject:** RE: CTSES

Orie,

Thank you for this information. Can you please clarify or provide the following:

1. The invoices you provided were from JK Power Services. How is that entity related to CTSES? Did CTSES sell equipment to JK Power Services? If not, what is the relationship between CTSES and JK Power?
2. Please identify the purchaser or purchasers of the equipment referenced in the invoices. Are they arm's length to CTSES and Bob Kerby?
3. Please provide serial numbers, where applicable, of the equipment sold and confirm that HST was collected and remitted in connection with the sales.
4. Bob Kerby advised us that monthly rent of \$3,500 was outstanding for the four months ended August 31<sup>st</sup>. The representative of HVAC Rentals also advised us that rent was due for the storage area. Can you explain how this reconciles with your statement that no rent is currently payable?
5. Please provide the most recent HST and source deduction account statements from CRA.



**Mitch Vininsky**

Managing Director

T 416.932.6013

M 416.254.4912

W [www.ksvadvisory.com](http://www.ksvadvisory.com)

**From:** Orie Niedzwiecki <[niedzwiecki@omh.ca](mailto:niedzwiecki@omh.ca)>

**Sent:** September 6, 2021 6:17 AM

**To:** 'Mario Forte' <[forte@gsnh.com](mailto:forte@gsnh.com)>

**Cc:** Emily Klein <[eklein@ksvadvisory.com](mailto:eklein@ksvadvisory.com)>; Mitch Vininsky <[mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)>; Bobby Kofman <[bkofman@ksvadvisory.com](mailto:bkofman@ksvadvisory.com)>

**Subject:** RE: CTSES

Mario:

Further to your letter of August 24, 2021, I have the following responses:

- 1) All assets are at 22 Simpson Road in Bolton, Ontario;
- 2) I attach three invoices dated July 6, July 6, and July 14, 2021 which identify the items sold and the prices;

3) There is no written agreement for the storage of the equipment at 22 Simpsons Road, Bolton, and no rent is currently payable. There are no oral terms for use of the storage space other than at some point some agreement will be made to compensate the landlord. No rent is being paid; and

4) There are no unremitted HST or statutory employee deductions.

\$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.

**Orie Niedzwiecki, B.Sc. (Hons.), M.A., J.D.**

**Licensed to practice in Ontario and the District of Columbia**

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**From:** Mario Forte <[forte@gsnh.com](mailto:forte@gsnh.com)>

**Sent:** August 30, 2021 10:27 AM

**To:** Orie Niedzwiecki <[niedzwiecki@omh.ca](mailto:niedzwiecki@omh.ca)>

**Cc:** Emily Klein <[eklein@ksvadisory.com](mailto:eklein@ksvadisory.com)>; Mitch Vininsky ([mvininsky@ksvadisory.com](mailto:mvininsky@ksvadisory.com))  
<[mvininsky@ksvadisory.com](mailto:mvininsky@ksvadisory.com)>; Bobby Kofman ([bkofman@ksvadisory.com](mailto:bkofman@ksvadisory.com))  
<[bkofman@ksvadisory.com](mailto:bkofman@ksvadisory.com)>

**Subject:** CTSES

Good morning, Orie.

I am attaching the agent's information request which was sent to you on your client's behalf on Tuesday, August 24, 2021, pursuant to Justice Conway's endorsement of August 18, 2021. The agent advises that it has received no response from Mr. Kerby or any other representative of CTSES to this



request. Given the substance of the issues surrounding the assets ( location, condition, number, potential encumbrances and the like) and the transparent intention to obtain a timely response to these issues which was articulated to the Court, it is disappointing that no response was offered, nor an acknowledgement that the information was in the process of being collected as contemplated in the information request and endorsement. Would you please confer with your client and confirm that the material will be forthcoming without further delay. If there is to be any further delay, an acknowledgment that the request is in hand, and the reasons for such a delay so that the agent can respond accordingly.

Obviously, the expectation inherent in the consent endorsement is predicated on the parties' intent to address these issues cooperatively. We trust that your client will bear that in mind in responding to this second request.

Thank you,

Mario

**MARIO FORTE**

	Suite 1600   480 University Avenue   Toronto ON   M5G 1V2 Direct 416 597 6477   Fax 416 597 3370   <a href="mailto:forte@gsnh.com">forte@gsnh.com</a>   <a href="http://www.gsnh.com">www.gsnh.com</a> Assistant   Devka Sakhrani   <a href="tel:4165979922">416 597 9922 ext. 370</a>   <a href="mailto:sakhrani@gsnh.com">sakhrani@gsnh.com</a>
	Proud member of
We're social, follow us:	
	
	

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## **Appendix “E”**

JK Power Services  
5-635 Fourth Line, Oakville, ON L6L 5W4  
416-559-2918

## Invoice

### CUSTOMER

Date: July 14, 2021

Qty	Description	List \$	Discount	TOTAL
	Equipment package as follows			\$ -
50	Cable Mats - Blue	\$ 240.00	\$ 80.00	\$ 8,000.00
40	Harness	\$ 260.00	\$ 86.67	\$ 6,933.33
3	200 Amp Trystar Tuff Panel (20 Amp outdoor)	\$ 3,378.00	\$ 1,126.00	\$ 6,756.00
12	Lex Bento Box	\$ 425.00	\$ 141.67	\$ 3,400.00
2	20 Amp Mini-E GFCI Box Ericson	\$ 700.00	\$ 233.33	\$ 933.33
1	30 KVA Transformer w/ Breaker & Cable	\$ 2,970.00	\$ 990.00	\$ 1,980.00
1	4530 KVA Transformer w/ Breaker & Cable	\$ 3,683.00	\$ 1,227.67	\$ 2,455.33
20	50' 12/5 Round - Lex Cable	\$ 240.00	\$ 80.00	\$ 3,200.00
20	40' 12/5 Flat Cable	\$ 140.00	\$ 46.67	\$ 1,866.67
Sub-total				\$ 35,524.67

**JK Power Services**  
5-635 Fourth Line, Oakville, ON L6L 5W4  
416-559-2918

## Invoice

Date: July 6, 2021

Qty	Description	TOTAL
	Equipment package - list A attached	\$ 132,775.00

Sub-Total \$ 132,775.00

**JK Power Services**  
5-635 Fourth Line, Oakville, ON L6L 5W4  
416-559-2918

## Invoice

Date: July 6, 2021

Qty	Description	TOTAL
	Equipment package - list B attached	\$ 187,475.00

Sub-Total \$ 187,475.00

INVOICE #

LIST 'A'

Equipment	Quantity	Retail Cost/Unit	Total Retail
100' #2 Cam to Cam Cable	200	\$150.00	\$30,000.00
Lex 800 Amp 3 x 250Amp Breaker Panel	5	\$5,000.00	\$25,000.00
50' #2 Cam to Cam Cable	200	\$75.00	\$15,000.00
Capture 4/6 50 Amp M/F Twist Lock 50'	150	\$137.50	\$20,625.00
Trystar Tuff Box 50 amp	30	\$200.00	\$6,000.00
400 Amp Hammerhead Cam-Lock Distro	7	\$2,300.00	\$16,100.00
4/0 Cam to Cam Jumpers 10'	100	\$80.00	\$8,000.00
400 Amp Dial Down Cam-Lock Outdoor Breaker	5	\$1,000.00	\$5,000.00
Trystar Tuff Box 30 amp	10	\$225.00	\$2,250.00
200 Amp Hammerhead Twist Lock Distro	2	\$2,400.00	\$4,800.00
Indication of Value Amount			\$132,775.00

INVOICE #

LIST 'B'

Equipment	Quantity	Retail Cost/Unit	Total Retail
100' #2 Cam to Cam Cable	355	\$150.00	\$53,250.00
Lex 800 Amp 3 x 250Amp Breaker Panel	9	\$5,000.00	\$45,000.00
50' #2 Cam to Cam Cable	450	\$75.00	\$33,750.00
Capture 4/6 50 Amp M/F Twist Lock 50'	158	\$137.50	\$21,725.00
Trystar Tuff Box 50 amp	48	\$200.00	\$9,600.00
400 Amp Hammerhead Cam-Lock Distro	3	\$2,300.00	\$6,900.00
4/0 Cam to Cam Jumpers 10'	165	\$80.00	\$13,200.00
400 Amp Dial Down Cam-Lock Outdoor Breaker	0	\$1,000.00	\$0.00
Trystar Tuff Box 30 amp	18	\$225.00	\$4,050.00
200 Amp Hammerhead Twist Lock Distro	0	\$2,400.00	\$0.00
Indication of Value Amount			\$187,475.00

## **Appendix “F”**



Summerside PE C1N 5Z7

000002384

CONVENTION & TRADE SHOW ELECTR  
Convention & Trade Show Electr  
ROBERT KERBY  
5 - 635 FOURTH LINE  
OAKVILLE ON L6L 5W4

## Statement details

**Account number** 89322 1754 RP0002

**Date issued** Aug 17, 2021

## Statement of account for current source deductions

This is your statement of account for current source deductions for CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD. See the **Account summary** section for details.

As a monthly remitter, you have to send us your remittance by the 15th of the month after the month you pay employees.

For more information about making your next remittance, go to **canada.ca/payroll** and select "Pay (remit) source deductions." If you will not be making a remittance, select **Report a nil remittance**.

Thank you,

Bob Hamilton  
Commissioner of Revenue

*FILED  
NO ENCL  
CLOSED  
BUSINESS  
AUG 25/21*

### Remittance account balance

This is your total year to date deductions at source.

**2021 balance: \$10,394.45**

#### Go paperless!

Get your mail online through

**My Business Account.**

1. Log in at **canada.ca/my-cra-business-account**;
2. Select "Business Profile"; and
3. Select "Manage Notification Preferences".





Government  
of Canada

Gouvernement  
du Canada

[Home](#) > [Canada Revenue Agency](#) > [Ready to file](#) > GST/HST NETFILE

## GST/HST NETFILE - confirmation

✔ Your return has been successfully filed.

**Your confirmation number is: 520709.**

Business number: **893221754 RT0001**  
 Business name: **CONVENTION & TRADE SHOW ELECTRICAL SERVICES LTD**  
 Reporting period: **2021-05-01 to 2021-05-31**  
 Filing date: **2021-06-14**

## GST/HST return summary

<b>Line 101</b>	Sales and other revenue	<b>\$0.00</b>
<b>Line 135</b>	Total GST/HST new housing rebates (included in line 108)	<b>\$0.00</b>
<b>Line 136</b>	Deduction for pension rebate amount (included in line 108)	<b>\$0.00</b>
<b>Line 105</b>	Total GST/HST and adjustments for period	<b>\$0.00</b>
<b>Line 108</b>	Total ITCs and adjustments	<b>\$931.20</b>
<b>Line 109</b>	Net tax	<b>-\$931.20</b>
<b>Line 110</b>	Instalments and other annual filer payments	<b>\$0.00</b>
<b>Line 111</b>	Rebates (note: rebate forms must be mailed separately)	<b>\$0.00</b>
<b>Line 205</b>	GST/HST due on purchases of real property or purchases of emission allowances	<b>\$0.00</b>
<b>Line 405</b>	Other GST/HST to be self-assessed	<b>\$0.00</b>
<b>Line 114</b>	Refund claimed	<b>\$931.20</b>
<b>Line 115</b>	Amount owing	<b>\$0.00</b>

**Screen ID: NF-09**