



COURT FILE NUMBER 2301-13913  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT SEQUENT AI LTD.  
RESPONDENTS GENESIS INTEGRATION INC. and  
FUSION CINE SALES & RENTALS INC.

C111197

DOCUMENT **APPLICATION (APPROVAL OF ACITIVITIES AND LIQUIDATION AGREEMENT)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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File Number: 302297

## NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date:	Friday, November 24, 2023
Time:	2:00pm – 2:30pm
Where:	Calgary Courts Centre, via WebEx attached as Appendix "A"
Before:	The Honourable Justice B. Johnston

Go to the end of this document to see what you can do and when you must do it.

## Remedy claimed or sought:

1. The Applicant, KSV Restructuring Inc., in its capacity as receiver and manager ("**Receiver**") of the property, assets and undertakings of Genesis Integration Inc. ("**Genesis**") and its wholly owned subsidiary, Fusion Cine Sales & Rentals Inc. ("**Fusion**" and together with

Genesis referred to as, the “**Debtors**”) seeks an Order, substantially in the form attached hereto as **Schedule “A”**:

- a. abridging the time for service of this application (the “**Application**”), if necessary, and declaring that this Application is properly returnable and that further service of this Application is hereby dispensed with;
  - b. approving the actions, activities and conduct of the Receiver as reported in the First Report of the Receiver dated November 14, 2023, being filed concurrently with this application (the “**First Report**”); and
  - c. approving the liquidation process (the “**Liquidation Process**”) to be executed by Infinity Asset Solutions Inc. (“**Infinity**”) to liquidate the Debtors’ inventory and other assets of the Debtors, including certain vehicles (the “**Assets**”) on the terms outlined in the Liquidation Services Agreement dated November 8, 2023 (the “**Agreement**”), a copy of which is attached as Appendix "B" to the First Report, and vesting in each prospective purchaser (or its nominee) the Debtors' right, title and interest in and to the Assets.
2. Such further and other relief as counsel may request and this Honourable Court may deem appropriate.

**Grounds for Making this Application:**

**A. Overview**

3. KSV Restructuring Inc. was appointed receiver and manager the property, assets and undertakings of the Debtors pursuant to a receivership order granted on October 24, 2023 (the “**Receivership Order**”).
4. Genesis was in the business of designing and integrating audiovisual collaboration systems and operated from leased premises in Edmonton, Mississauga, Ottawa and Montreal. It provided services including equipment sales and consulting, design and implementation of complex integrated audiovisual systems, programing and installing them at the customers’ sites.
5. Fusion, headquartered in Vancouver, British Columbia, and purchased by Genesis in 2007, was a national production partner that provided sales, rentals and servicing of audio, video,

photography and lighting equipment to Canadian broadcast companies, film production companies and digital content creators. Fusion generally operated as a separate standalone business from Genesis.

6. The Debtors both substantially discontinued operations in March, 2023.

7. Sequent AI Ltd. ("**Sequent**") is the Companies' principal secured creditor and is owed approximately \$8.2 million plus interest and costs which continue to accrue. Sequent is projected to incur a substantial shortfall on its secured debt.

8. Subsequent to the Receivership Order, the Receiver terminated all but four employees for Genesis and two employees for Fusion to assist with the planned liquidation. Sequent has consented to compensation arrangements for these employees.

**B. Approval of Activities**

9. The activities of the Receiver and its independent legal counsel are described in detail in the First Report.

10. The Receiver submits that its actions, activities and conduct and those of its independent legal counsel were appropriate and necessary for the administration of these receivership proceedings and ought to be approved by this Honourable Court.

**C. Approval of the Agreement**

11. The Receiver seeks to sell the Debtors' inventory and other assets, including certain vehicles, contained in the leased premises in British Columbia, Alberta Quebec and Ontario by way of liquidation because:

- a. The Debtors both substantially discontinued operations in March, 2023;
- b. The Assets have limited realizable value; and
- c. This process will expedite the sale of assets in order to minimize costs to the extent possible.

12. On October 24, 2023, the Receiver contacted Infinity to solicit a liquidation bid for the Assets in accordance with Paragraph 3(i) of the Receivership Order.

13. The Receiver did not request bids from multiple liquidators as it would have been too costly to do so relative to value of the Assets.
14. On October 30, 2023, Infinity submitted a proposal, the terms of which were subsequently negotiated by the Receiver in consultation with Sequent and are outlined in the Agreement.
15. Infinity has provided a deposit of \$50,000 to the Receiver upon the execution of the Agreement.
16. Terms and conditions of the Agreement include without limitation:
  - a. All of the Debtors' inventory, equipment and other owned assets, including certain vehicles, located at the Debtors' leased premises in British Columbia, Alberta Quebec and Ontario are to be liquidated.
  - b. There is a net minimum guarantee ("**NMG**") of \$285,000 which will be paid the Receiver no later than one day prior to the scheduled auction date. Sale proceeds in excess of the NMG plus the agreed-upon amount to cover the Infinity's expenses, being \$80,000, shall be split on an 85/15 basis, in favour of the Receiver.
  - c. The auction completion date is December 31, 2023;
  - d. Any sales to the ultimate purchasers of the Assets are to be completed on an "as is, where is" basis;
  - e. Infinity is responsible for the Liquidator Expenses (as defined in the Agreement), including but not limited to, supervision expenses related to the Auction, travel, advertising and promotional expenses, removal and disposal expenses and insurance costs;
  - f. The Receiver must seek and obtain one or more approval and vesting orders from the Court, which will vest the Assets in each respective purchaser free and clear of any claims and encumbrances;
  - g. Infinity is responsible for the collection and remittance of any applicable taxes on the sale of the Assets. In addition to its other indemnification obligations under the Agreement, Infinity has indemnified the Receiver for any taxes that may be

assessed resulting therefrom as well as any claims which the Receiver incurs as a direct or indirect consequence of the Infinity failing to report or remit such taxes; and

h. The Agreement is subject to Court approval.

17. Pursuant to the Receivership Order, the Receiver is authorized to sell, convey, transfer, lease or assign the Debtors' assets.

18. The Receiver and the affected secured creditor, Sequent, support the Agreement.

19. The Receiver believes that the liquidation process contemplated by the Agreement will generate the highest offer available for the Assets and will garner the greatest recovery to the creditor, Sequent.

20. The Receiver believes that it is appropriate for the Court to approve the Agreement and grant an order vesting the Assets in the respective purchasers of the Assets free and clear of all claims, liens and encumbrances.

**Material of evidence to be relied on:**

21. First Report of the Receiver dated November 14, 2023.

22. Receivership Order pronounced on October 24, 2023 by the Honourable Justice Feasby.

23. The inherent jurisdiction of this Honourable Court.

24. Such further and other grounds as counsel may advise and this Honourable Court may deem just.

**Applicable Rules:**

25. Rules 6.47, 6.9, 11.27 and 13.5 of the Alberta Rules of Court; and

26. Such further material as counsel may advise and this Honourable Court may permit.

**Applicable Acts and Regulations:**

27. *Bankruptcy and Insolvency Act*, RSC 1985 c. B-3, as amended;

28. *Judicature Act*, R.S.A. 2000, c. J-2, as amended;
29. This Court's equitable and inherent jurisdiction; and
30. Such further authority as counsel may advise and this Honourable Court may permit.

**How the application is proposed to be heard or considered:**

31. Commercial Chambers before the Honourable Justice B. Johnston by WebEx.

**WARNING**

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

## APPENDIX “A”

**Virtual Courtroom 60** has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:  
<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

**Schedule “A”**

Form of Order for Approval of Activities and Liquidation Agreement

(see attached)



COURT FILE NUMBER	2301-13913
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	SEQUENT AI LTD.
RESPONDENTS	GENESIS INTEGRATION INC. and FUSION CINE SALES & RENTALS INC.
DOCUMENT	<b>ORDER (APPROVAL OF ACTIVITIES AND LIQUIDATION AGREEMENT)</b>

Clerk's Stamp

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

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File No.: 302297

<b>DATE ON WHICH ORDER WAS PRONOUNCED:</b>	<b>November 24, 2023</b>
<b>LOCATION WHERE ORDER WAS PRONOUNCED:</b>	<b>Calgary, Alberta</b>
<b>NAME OF JUSTICE WHO MADE THIS ORDER:</b>	<b>The Honourable Justice B. Johnston</b>

**UPON** the Application of KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of Genesis Integration Inc. ("**Genesis**") and Fusion Cine Sale & Rentals Inc. ("**Fusion**") and together with Genesis collectively referred to as, the "**Debtors**", for an Order approving the liquidation transaction with Infinity Asset Solutions Inc. (the "**Infinity**") to market and sell the inventory, equipment and owned vehicles of the Debtors located in Vancouver, British Columbia, Mississauga Ontario, Ottawa, Ontario and Montreal, Quebec (the "**Assets**") through the liquidation process on the terms outlined in the liquidation services agreement (the "**Agreement**") dated November 8, 2023, a copy of which is attached as Appendix "B" to the First Report of the Receiver dated November 14, 2023 (the "**First Report**"), and vesting in each person who purchases any Assets from Infinity (each a "**Purchaser**"), the Debtors' right, title and interest in and to the Assets; **AND UPON**

having read the Receivership Order dated October 24, 2023 (the "**Receivership Order**"), the First Report of the Receiver, and the pleadings and proceedings filed herein; **AND UPON** hearing the submissions of counsel for the Receiver and any other interested party appearing at the application;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**CAPITALIZED TERMS**

2. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Agreement.

**APPROVAL OF ACTIONS, ACTIVITIES, CONDUCT OF THE RECEIVER**

3. The actions, activities and conduct of the Receiver to date as described in the First Report are hereby approved and ratified.

**APPROVAL OF THE LIQUIDATION AGREEMENT AND LIQUIDATION PROCESS**

4. The execution of the Agreement by the Receiver is hereby approved and the Receiver and Infinity are hereby authorized to implement the Agreement according to its terms.

5. Infinity is authorized to sell the Assets in accordance with the terms and conditions in the Agreement (the "**Liquidation Process**"), and to take all such steps and execute all such documents as may be necessary or desirable for the completion of the sale of the Assets in the Liquidation Process.

6. The sale of the Assets through the Liquidation Process, and specifically under the terms of the Agreement, is hereby approved and ratified and it is hereby declared that the sale of the Assets through the Liquidation Process is commercially reasonable and in the best interests of the Debtors and their stakeholders.

## **VESTING OF PROPERTY**

7. Effective immediately upon the full payment of the purchase price to Infinity by a Purchaser, all of the Debtors' right, title and interest in and to the particular item of the Assets being purchased by such Purchaser shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, registered or otherwise), hypothecs, caveats, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, registered or otherwise), liens, executions, levies, charges, or other financial or monetary claims, assignments, actions, taxes, judgments, writs of execution, options, agreements, disputes, debts, debentures, easements, covenants, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Debtors, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, registered or otherwise and whether by payment, set off or otherwise, whether liquidated, unliquidated or contingent (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order; and
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

and, for greater certainty, this Court orders that all of the encumbrances affecting or relating to such Assets will thereupon be expunged and discharged as against such Assets.

8. Upon full payment of the purchase price to Infinity for the specific Assets being

purchased, all of the encumbrances affecting or relating to such Assets will thereupon be expunged and discharged and the Purchaser of such Assets (or its nominee) will be at liberty to thereafter register discharge statements at the Alberta Personal Property Registry, or any other personal property registry system, to effect the discharge of the encumbrances.

9. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Assets, and from and after the delivery of the purchase price to the Receiver all Claims and encumbrances shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

10. Each Purchaser (and its nominee, if any) shall, by virtue of the completion of their purchase of a particular item of the Assets, have no liability of any kind whatsoever in respect of any Claims against the Debtors.

11. The Debtors and all persons who claim by, through or under the Debtors in respect of the Assets, shall stand absolutely barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental and equity of redemption in respect of or to the Assets and, to the extent that any such persons or entities remain in the possession or control of any of the Assets, they shall forthwith deliver possession thereof to the Receiver.

12. Each Purchaser (or its nominee) shall be entitled to hold and enjoy the purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.

13. Notwithstanding:

- (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications or any other insolvency proceedings in respect of the Debtors; and
- (c) any assignment in bankruptcy made in respect of the Debtors

the vesting of each item of the Assets in each Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. The Receiver, Infinity, and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties execute the Agreement.

#### **MISCELLANEOUS MATTERS**

15. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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 as 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.

16. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business

day following the transmission or delivery of such documents.

17. Service of this Order on any party not attending this application is hereby dispensed with.

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Justice of the Court of King's Bench of Alberta