



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

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

THE HONOURABLE
JUSTICE J. DIETRICH

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TUESDAY, THE 15TH
DAY OF JULY, 2025

B E T W E E N:

TWO SHORES CAPITAL CORP.

Applicant

- and -

**PRODUCTIVITY MEDIA INC., PRODUCTIVITY MEDIA INCOME FUND I LP, PRODUCTIVITY
MEDIA LENDING CORP. I and 8397830 CANADA INC.**

Respondents

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

SETTLEMENT APPROVAL ORDER

THIS MOTION, made by KSV Restructuring Inc. (**KSV**), solely in its capacity as receiver and manager (the **Receiver**) over the business and assets of Productivity Media Inc. (**PMI**), Productivity Media Income Fund I LP (the **Fund**), Productivity Media Lending Corp. I (**PMLC**) and 8397830 Canada Inc. (**839 Canada**), and not in its personal capacity or in any other capacity for:

- (a) an Order approving and giving effect to the terms of settlement as set out in the settlement agreement executed June 16, 2025 (the **Settlement Agreement**) as between the Receiver on the one hand, and Sonja Santor (**Ms. Santor**), a

defendant in the related civil proceeding under Court File No. CV-24-00731806-00CL (the **Fraud Recovery Action**), on the other; and

(b) an Order authorizing and directing the Receiver to take any and all steps necessary to give effect to the Settlement Agreement,

Was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, and the Receiver's Third Report to Court dated June 17, 2025 (the **Third Report**),

AND ON HEARING the submissions of counsel for the Receiver, counsel for the Mareva Defendants, as defined in the Fraud Action, and counsel for certain of the past and current unit-holders in the Fund (the **Investors**), and counsel for the Plaintiff Plaintiffs as defined below,

Service

1. **THIS COURT ORDERS** that to the extent necessary, the time for service of the Notice of Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

Approval Of The Settlement Agreement

2. **THIS COURT DECLARES** that the Settlement Agreement is fair and reasonable in the circumstances and for the purposes of these proceedings.
3. **THIS COURT ORDERS AND DECLARES** that the Settlement Agreement is hereby approved, and the Receiver is hereby authorized and directed to comply with its obligations thereunder and to take such further acts and steps as may be necessary to give effect to the terms of the Settlement Agreement and this Order.

4. **THIS COURT ORDERS** that the Receiver, or an Investor, may from time to time apply to this Court for advice and directions in the discharge of the Receiver's powers, duties and obligations under the Settlement Agreement and hereunder.
5. **THIS COURT ORDERS** that nothing in this order, save and except paragraph 8, does or shall limit or otherwise impair the rights of Alan Plaunt and 1401713 Alberta Ltd. (collectively, the **Plaunt Plaintiffs**) to pursue their claim with respect to the Media House Litigation Settlement proceeds as identified in Plaunt et al v Santor et al CV-23-00696306-0000 (the **Plaunt Constructive Trust Claim**).
6. **THIS COURT ORDERS** that the Plaunt Constructive Trust Claim as against the estates of the Debtors shall be determined in a process to be scheduled by this Court.
7. **THIS COURT ORDERS** that the Receiver shall not make any distribution to the Investors as holders of units in the Fund until the determination of the claims of the Plaunt Plaintiffs as against the estates of the Debtors or further order of this Court. For greater clarity, this does not impair the payment to Investors as secured creditors or under the Receiver's Borrowing Charge.
8. **THIS COURT ORDERS** that, in accordance with the terms of the Settlement Agreement, Ms. Santor and Fogler Rubinoff LLP shall receive the proceeds contemplated in the Settlement Agreement free and clear of any competing claims, including those of the Plaunt Plaintiffs in Court File No. CV-23-00696306-0000.

Amendment of Receivership Order

9. **THIS COURT ORDERS** that section 3(i) of the Amended and Restated Receivership Order, pronounced on April 16, 2025, is hereby amended to authorize the Receiver to pay

the reasonable fees and disbursements of Fogler Rubinoff LLP from available cashflow up to an additional maximum amount of US\$150,000.

Release of Ms. Santor

10. **THIS COURT ORDERS** that Ms. Santor, in her personal capacity, is hereby released of and from all claims of PMI, the Fund, PMLC, 839 Canada, the Receiver, and the Investors arising from or related to the Fraud Recovery Action, conditional on Ms. Santor's compliance with the terms of the Settlement Agreement.

11. **THIS COURT ORDERS** that PMI, the Fund, PMLC, 839 Canada, the Receiver, and the Investors are hereby released of and from all claims of Ms. Santor, in her personal capacity, arising from or related to the Fraud Recovery Action.

12. **THIS COURT ORDERS** that none of the releases provided for in this Order shall release any claims of PMI, the Fund, PMLC, 839 Canada, the Receiver, and the Investors as against any persons other than Ms. Santor, in her personal capacity, and nothing in the Settlement Agreement or this Order prohibits or otherwise limits the Receiver or the Investors from taking proceedings and/or issuing actions and/or continuing same against parties other than Ms. Santor, in her personal capacity.

Reinstatement of Receiver

13. **THIS COURT ORDERS** that in the event of, and notwithstanding, an Order of the Court discharging KSV as Receiver, any Investor may, by written notice delivered to KSV on or before December 1, 2032 (an **Investor Notice**) request that KSV bring a motion pursuant to section 8 of the Settlement Agreement (a **Section 8 Motion**) for an order declaring that Ms. Santor has made a "False Statement", as that term is defined in the Settlement Agreement, and related relief (a **Section 8 Order**), and upon the issuance of the Section

8 Order, KSV's role as Receiver (including all of the protections set out in the Receivership Order, unless amended on terms acceptable to KSV) shall be revived for the limited purpose of investigating and pursuing the issues identified in, or related to, the Investor Notice.

14. **THIS COURT ORDERS** that, notwithstanding paragraph 13, KSV shall not be obligated to bring the Section 8 Motion unless arrangements acceptable to it have been made to pay all fees and costs related to the Section 8 Motion and its reappointment as Receiver.

Aid and Recognition of Foreign Courts

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



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Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ORDER

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