

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

B E T W E E N:

**PRODUCTIVITY MEDIA INCOME FUND I LP, by its general partner,
PRODUCTIVITY MEDIA INC., by its court-appointed receiver and manager,
KSV RESTRUCTURING INC.**

Plaintiff

and

**THE ESTATE OF WILLIAM GREGORY SANTOR by its Executrix SONJA SANTOR,
SONJA SANTOR, also known as SONJA NISTELBERGER, RADIANT FILMS
INTERNATIONAL INC., DARK STAR PICTURES (CANADA) INC., CONCOURSE
MEDIA INC., JOKER FILMS PRODUCTIONS INC., 8397830 CANADA INC.,
PRODUCTIVITY MEDIA RELEASING INC., PRODUCTIVITY MEDIA RENTALS INC.,
PRODUCTIVITY MEDIA PRODUCTIONS (CAYMAN) LTD., PROSAPIA CAPITAL
MANAGEMENT CORP., PROSAPIA HOLDINGS INC., PROSAPIA PROPERTY
MANAGEMENT INC., PROSAPIA WEALTH MANAGEMENT LTD., ERBSCHAFT
CAPITAL CORP., STREAM.TV (CAYMAN) LTD., STARK INDUSTRIES LIMITED,
JOHN DOE, MARY DOE, and ABC COMPANY**

Defendants

NOTICE OF MOTION

The Plaintiff, Productivity Media Income Fund I LP, by its general partner Productivity Media Inc., by its court-appointed receiver and manager, KSV Restructuring Inc. (**KSV**), will make a motion to the Court **on a date to be scheduled on the Commercial List** by videoconference at the courthouse at 330 University Ave, Toronto, ON, M5G 1R8.

PROPOSED METHOD OF HEARING: the motion is to be heard

- ☐ In writing under subrule 37.12.1(1);
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location:

Videoconference coordinates to be accessible via Case Center.

THE MOTION IS FOR:

1. An Order varying the Order of Justice Black dated December 2, 2024 (the ***Mareva Order***) to remove the Defendants, Sonja Santor (**Ms. Santor**) and 8397830 Canada Inc. (**839 Canada**) from the definition of “Mareva Defendants”;
2. An Order discharging the *Mareva* Order and making it of no further effect respecting the assets of 839 Canada and Ms. Santor (except for her interest in the property located at West Bay Beach North Block 10A Parcel 150, Vista Del Mar, Cayman Islands (the **VDM Property**));
3. An Order that the VDM Property shall remain subject to the terms of the Injunction Prohibiting Disposal of Assets in the Cayman Islands granted by the Grand Court of the Cayman Islands on December 6, 2024 (the **Cayman Order**);

4. An Order permitting Ms. Santor to deposit, remove or transfer monies or assets from any accounts, registered savings plans, investment accounts, or other assets held with the Financial Institutions in Ms. Santor's name, including but not limited to TD bank account 6372309 (the **TD Account**);
5. An Order that Ms. Santor shall no longer be required to provide KSV, through their respective counsel, a daily screenshot of activity in the TD Account or any other bank account of Ms. Santor;
6. An Order authorizing KSV, in its capacity as court-appointed receiver and manager of Productivity Media Inc., Productivity Media Income Fund I LP, and 839 Canada (the **Receiver**), to dispose of or sell any assets of the Mareva Defendants (as now defined pursuant to the relief sought in paragraph 1 of this Notice of Motion), notwithstanding the *Mareva* Order:
 - a. Upon the mutual written consent the Receiver and Ms. Santor, but only during any time prior to payment to Ms. Santor in full of the US\$500,000 described in the Settlement Agreement between the Receiver and Ms. Santor dated June 16, 2025 (the **Settlement Agreement**) as the "Second Payment";
 - b. Following payment to Ms. Santor in full of the "Second Payment", with the cooperation of Ms. Santor, which cooperation Ms. Santor shall provide at no further cost, except out-of-pocket expenses for which she will be reimbursed at cost on a timely basis by the Receiver. For greater certainty, after payment in full to Ms. Santor of the Second Payment, her consent shall not be required to sell all other assets of the Defendants;

7. An Order authorizing the Receiver to coordinate with Ms. Santor in respect of her efforts to sell the VDM Property on terms subject to the consent of the Receiver, such consent being subject to the approval of this Court on notice to the Service List in related Court File No. CV-24-00730869-00CL (the **Receivership**);
8. An Order directing Ms. Santor to obtain the Receiver's express written consent prior to selling, encumbering, or otherwise dealing with any property identified in section 2(c) of the Settlement Agreement;
9. An Order that Ms. Santor's entitlement to payment of ordinary living expenses from the assets of the Mareva Defendants shall cease effective May 31, 2025;
10. An Order that Ms. Santor and her legal counsel shall be entitled to the proceeds, if any, of the IRS non-resident tax withholdings and California Tax Board non-resident tax withholdings in connection with the sale of the condominium unit located at 203, 12045 Guerin Street, Studio City, California, USA (collectively the **Studio City Proceeds**), of which a portion shall be paid to Fogler Rubinoff LLP, in trust, for the payment of legal fees and disbursements, and the balance shall be paid to Ms. Santor;
11. An Order dismissing the within action as against Ms. Santor subject to the terms of the Settlement Agreement approved in the Receivership;
12. An Order removing Ms. Santor as a defendant in this action and granting leave to the Plaintiff to file an Amended Statement of Claim in the draft form attached as Schedule A to this Notice of Motion;
13. An Order that the terms of the *Mareva* Order are otherwise continued until trial or disposition of this action against all Defendants, or the expiry of 60 days following pronouncement of final judgment in this action; and

14. Such further and other relief as counsel may advise and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Procedural History and Chronology of Events

15. By Order of Justice Conway dated November 19, 2024 in the Receivership, KSV was appointed by the Court as the receiver and manager of Productivity Media Inc. (**PMI**), and Productivity Media Income Fund I LP (the **Fund**), and Productivity Media Lending Corp. I (**PMLC**). References to the “Plaintiff” refer collectively to KSV, PMI and the Fund.
16. The within action was commenced by the Plaintiff by way of Statement of Claim issued November 22, 2024 (the **Claim**).
17. By the *Mareva* Order, this Court granted an interim and interlocutory Mareva Injunction restraining the various defendants, including 839 Canada and Ms. Santor, from dissipating their assets and other relief.
18. By the Cayman Order, the Grand Court of the Cayman Islands granted an Injunction Prohibiting Disposal of Assets in the Cayman Islands restraining the various respondents, including Ms. Santor, from selling, disposing of, or otherwise dealing with certain of their property located in the Cayman Islands, including the VDM Property.
19. The *Mareva* Order was subsequently varied with the consent of the parties on December 12, 2024, December 19, 2024, January 2, 2025, January 28, 2025, and February 14, 2025 to permit, *inter alia*, the addition, removal, access, or transfer of funds by Ms. Santor (and William Santor (**Mr. Santor**) prior to his death on December 28, 2024) to the TD Joint Account for the purpose of paying ordinary living expenses and legal fees.

20. By Order of Justice Black dated March 24, 2025, the *Mareva* Order was varied to permit KSV and Ms. Santor to sell personal assets previously owned by the late Mr. Santor and property understood to be owned by other defendants. The Court authorized Ms. Santor's continued weekly entitlement to access funds in the TD Joint Account for payment of ordinary living expenses. The Court further ordered that the terms of the *Mareva* Order, as varied, would continue and remain in force until trial, subject to further order of the Court.

21. By Order of Justice Dietrich dated April 16, 2025 in the Receivership (the **ARRO**), KSV was appointed as receiver and manager of all the assets, undertakings, and properties of 839 Canada.

22. On May 20, 2025, the Registrar made an Order continuing the within action against the Estate of William Gregory Santor, by its Executrix Sonja Santor, and amending the title of proceedings accordingly.

Ms. Santor's Cooperation with the Receiver's Investigations and Recovery Efforts

23. Since the *Mareva* Order was granted, Ms. Santor has cooperated with the Receiver's investigative efforts, including to locate, sell, and liquidate Mr. Santor's and her own personal assets, as well as assets owned by certain corporate defendants.

24. Ms. Santor has also assisted the Receiver to investigate and advance claims on behalf of PMI and the Fund against third parties.

Settlement of the Action and Discharge of the Mareva Order against Ms. Santor

25. The Plaintiff and Ms. Santor have since resolved the action as between them, which resolution includes the payment of funds to Ms. Santor from the proceeds of sale of real property in Grand Cayman, a second payment comprised of proceeds of Mr. Santor and Ms. Santor's real and personal property, and a third payment contingent on the quantum of the Receiver's total recoveries (the **Settlement Agreement**).
26. Subject to Ms. Santor's continued fulfilment of the terms of the Settlement Agreement, the parties have agreed that the *Mareva* Order shall cease to have any force or effect upon her (except for the VDM Property), that Ms. Santor's Accounts shall no longer be frozen or restrained by operation of the *Mareva* Order, and that Ms. Santor shall be permitted to access or otherwise utilize Ms. Santor's Accounts without restriction.
27. The Settlement Agreement contemplates that the VDM Property will remain subject to the terms of the Cayman Order and the sale of the other assets of the Mareva Defendants and Ms. Santor shall require the Receiver's prior consent.
28. The parties to the Settlement Agreement have agreed that, effective May 31, 2025, Ms. Santor shall have no further entitlement to funds derived from the assets of the Mareva Defendants for payment of ordinary living expenses.
29. The Settlement Agreement requires Ms. Santor's continuing obligation to assist the Receiver with its investigations and to locate, sell, and liquidate assets of the Mareva Defendants anywhere in the world.
30. The Settlement Agreement also contemplates a without-costs dismissal of this action as against Ms. Santor and the removal of Ms. Santor as a defendant. Accordingly, the Plaintiff

requests leave of this court to file an Amended Statement of Claim that reflects that Ms. Santor is no longer a party to this proceeding.

Discharging Mareva Injunction Against 839 Canada

31. As set out above, KSV is now the court-appointed receiver and manager of the business and property of 839 Canada.

32. Pursuant to the ARRO, the Receiver is expressly empowered and authorized to:

- a. take possession of and exercise control over the property of 839 Canada and any and all proceeds, receipts and disbursements arising out of or from the property of 839 Canada;
- b. manage, operate, and carry on the business of 839 Canada; and
- c. receive and collect all monies and accounts now owed or hereafter owing to 839 Canada, and to exercise all remedies of 839 Canada in collecting such monies.

33. As 839 Canada is under the control of KSV as receiver and manager, the Mareva Injunction in respect of 839 Canada is no longer necessary or practicable.

Sale of Assets by the Receiver

34. As set out in the March 24, 2025 Order of Justice Black, the Receiver and Ms. Santor were permitted to sell personal assets previously owned by the late Mr. Santor and property understood to be owned by other Mareva Defendants.

35. The Receiver requests that it be permitted continue its efforts to dispose of or sell any assets of the Mareva Defendants (which shall exclude Ms. Santor and 839 Canada), upon the mutual written consent of KSV and Ms. Santor.

36. The Settlement Agreement contemplates the sale of the VDM Property, upon the consent of both the Receiver and Ms. Santor, in writing. The Receiver will apply to Court, on notice to the Service List in the Receivership, to seek the Court's approval of the Receiver's consent to the sale transaction.

Studio City Proceeds

37. As set out in the December 12, 2024 and December 19, 2024 Orders of Justice Black, Mr. Santor and Ms. Santor owned a condominium unit located at 203, 12045 Guerin Street, Studio City, California, USA (the **Studio City Condo**), which they had sold and from which they were awaiting payment of the net proceeds of sale plus IRS non-resident tax withholdings and California Tax Board non-resident tax withholdings.

38. By Order of Justice Black dated December 19, 2024, Mr. Santor and Ms. Santor deposited, wired, or transferred the net proceeds of sale of the Studio City Condo to the TD Joint Account and then to Fogler Rubinoff LLP, in trust, for payment of legal fees.

39. By Order of Justice Black dated March 24, 2025, the Court ordered that the IRS non-resident tax withholdings and California Tax Board non-resident tax withholdings, estimated to total US\$202,000 and US\$34,000 respectively (the **Studio City Proceeds**, as defined above) were to be allocated to counsel for the Mareva Defendants and Ms. Santor, to the Receiver, and to Ms. Santor personally.

40. The Studio City Proceeds have not yet been received by Ms. Santor. In accordance with the Settlement Agreement, the Plaintiff and Ms. Santor have agreed that:

- a. US\$105,000 shall be paid to Fogler Rubinoff LLP, in trust, for payment of further legal fees and disbursements incurred by Ms. Santor and the other Mareva Defendants; and

b. The balance shall be paid to Ms. Santor.

41. Rules 1.04, 26.02, 26.03, 37, and 49 of the *Rules of Civil Procedure*, RRO 1990, Reg. 194, as amended; and

42. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

43. Receiver's Third Report to Court and executed Settlement Agreement attached thereto;

44. Draft Amended Statement of Claim attached hereto as Schedule A;

45. Draft Order;

46. Such further and other evidence as counsel may advise and this Honourable Court may permit.

June 17, 2025

DLA PIPER (CANADA) LLP
Barristers & Solicitors
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 5100
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Tel: 416-862-3389
cristina.fulop@dlapiper.com

Lawyers for the Plaintiff/Moving Party

TO: FOGLER RUBINOFF LLP
Lawyers
Scotia Plaza
40 King Street West, Suite 2400
P.O. Box #215
Toronto, ON M5H 3Y2

David W. Levangie (LSO #57180I)
Tel: 416-864-7603
dlevangie@foglers.com

Lawyers for the Mareva Defendants

Schedule "A"

Court File No. CV-24-00731806-00CL

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**PRODUCTIVITY MEDIA INCOME FUND I LP, by its general partner,
PRODUCTIVITY MEDIA INC., by its court-appointed receiver and manager,
KSV RESTRUCTURING INC.**

Plaintiff

and

**THE ESTATE OF WILLIAM GREGORY SANTOR by its Executrix, SONJA
SANTOR, SONJA SANTOR, also known as SONJA NISTELBERGER,
RADIANT FILMS INTERNATIONAL INC., DARK STAR PICTURES (CANADA)
INC., CONCOURSE MEDIA INC., JOKER FILMS PRODUCTIONS INC.,
8397830 CANADA INC., PRODUCTIVITY MEDIA RELEASING INC.,
PRODUCTIVITY MEDIA RENTALS INC., PRODUCTIVITY MEDIA
PRODUCTIONS (CAYMAN) LTD., PROSAPIA CAPITAL MANAGEMENT
CORP., PROSAPIA HOLDINGS INC., PROSAPIA PROPERTY MANAGEMENT
INC., PROSAPIA WEALTH MANAGEMENT LTD., ERBSCHAFT CAPITAL
CORP., STREAM.TV (CAYMAN) LTD., STARK INDUSTRIES LIMITED, JOHN
DOE, MARY DOE, and ABC COMPANY**

Defendants

AMENDED STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiffs' lawyer or, where the plaintiffs do not have a lawyer, serve it on the plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$2,000.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$1,000.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: ~~November 22, 2024~~
June 17, 2025

Issued by:

Local Registrar

Address of Court Office: 330 University Avenue, 9th Floor
Toronto, ON M5G 1R7

TO: **FOGLER RUBINOFF LLP**

Lawyers
Scotia Plaza
40 King Street West, Suite 2400
PO Box #215
Toronto, ON M5H 3Y2

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Lawyers for the Estate of William Santor, by its Executrix, Sonja Santor, Radiant Films International Inc., Dark Star Pictures (Canada) Inc., Concourse Media Inc., Joker Films Productions Inc., 8397830 Canada Inc., Productivity Media Releasing Inc., Productivity Media Rentals Inc., Productivity Media Productions (Cayman) Ltd., Prosapia Capital Management Corp., Prosapia Holdings Inc., Prosapia Property Management Inc., Prosapia Wealth Management Ltd., Erbschaft Capital Corp., Stream.TV (Cayman) Ltd., and Stark Industries Limited

TO: **WILLIAM GREGORY SANTOR**
150 Iron Shore Dr WB, PO Box 1034
Vista Del Mar, Grand Cayman
KY1-9006

AND TO: ~~SONJA SANTOR~~
~~150 Iron Shore Dr WB, PO Box 1034~~
~~Vista Del Mar, Grand Cayman~~
~~KY1-9006~~

AND TO: ~~RADIANT FILMS INTERNATIONAL INC.~~
~~100 King Street West, Suite 3400~~
~~Toronto, ON M5X 1A4~~

AND TO: ~~DARK STAR PICTURES (CANADA) INC.~~
~~666 Burrard Street, 25th Floor~~
~~Vanvouver, BC V6C 2X8~~

AND TO: ~~CONCOURSE MEDIA INC.~~
~~666 Burrard Street, 25th Floor~~
~~Vanvouver, BC V6C 2X8~~

AND TO: ~~JOKER FILMS PRODUCTIONS INC.~~
~~1750-1055 West Georgia Street~~
~~P.O. Box 11125~~
~~Vanvouver, BC V6E 3P3~~

AND TO: ~~8397830 CANADA INC.~~
~~69-833 Scollard Court~~
~~Mississauga, ON L7N 1Y4~~

AND TO: ~~PRODUCTIVITY MEDIA RELEASING INC.~~
~~2521 Wyecroft Road~~
~~Oakville ON L6L 6P8~~

AND TO: ~~PRODUCTIVITY MEDIA RENTALS INC~~
~~2521 Wyecroft Road~~
~~Oakville ON L6L 6P8~~

AND TO: ~~PRODUCTIVITY MEDIA PRODUCTIONS (CAYMAN) LTD.~~
~~c/o Bodden Corporate Services Ltd.~~
~~P.O. Box 10335~~
~~23 Lime Tree Bay Avenue~~
~~George Town, Grand Cayman~~
~~KY1-1003~~

AND TO: ~~PROSAPIA CAPITAL MANAGEMENT CORP.~~
~~2521 Wyecroft Road~~
~~Oakville ON L6L 6P8~~

AND TO: ~~PROSAPIA HOLDINGS INC.~~
~~2521 Wyecroft Road~~
~~Oakville ON L6L 6P8~~

AND TO: ~~PROSAPIA PROPERTY MANAGEMENT INC.~~
~~1100 Burloak Drive, Suite 300~~
~~Burlington, ON L7L 6B2~~

AND TO: ~~PROSAPIA WEALTH MANAGEMENT LTD.~~
~~2521 Wyecroft Road~~
~~Oakville ON L6L 6P8~~

AND TO: ~~ERBSCHAFT CAPITAL CORP.~~
~~c/o Walkers Corporate Limited~~
~~190 Elgin Avenue~~
~~George Town, Grand Cayman~~
~~KY1-9008~~

AND TO: ~~STREAM.TV (CAYMAN) LTD.~~
~~c/o Walkers Corporate Limited~~
~~190 Elgin Avenue~~
~~George Town, Grand Cayman~~
~~KY1-9008~~

AND TO: ~~STARK INDUSTRIES LIMITED~~
~~c/o Walkers Corporate Limited~~
~~190 Elgin Avenue~~
~~George Town, Grand Cayman~~
~~KY1-9008~~

AND TO: JOHN DOE, MARY DOE, and ABC COMPANY

k

CLAIM

1. The Plaintiff claims against the Defendant, The Estate of William Gregory Santor by its Executrix, Sonja Santor (the **Santor Estate**):
 - a) damages and/or restitution for fraud, fraudulent misrepresentation, misappropriation and conversion, fraudulent conveyance, unjust enrichment, breach of fiduciary duties, breach of trust, breach of contract, breach of duty of good faith, and conspiracy in the amount of \$44,448,871, or such further or other sums as shall be provided prior to or proven at trial; and
 - b) aggravated, exemplary, and punitive damages in the amount of \$5,000,000.

2. The Plaintiff claims against the Defendants, 8397830 Canada Inc., Joker Films Productions Inc., Dark Star Pictures (Canada) Inc., Concourse Media Inc., Radiant Films International Inc., Productivity Media Releasing Inc., Productivity Media Rentals Inc., Productivity Media Productions (Cayman) Ltd., Erbschaft Capital Corp., Stream.TV (Cayman) Ltd., Stark Industries Limited, John Doe, Mary Doe, and ABC Company (defined below, together with William Santor, or where the context requires it, the Santor Estate, as the **Fraudulent Defendants**):
 - a) damages and/or restitution for fraud, fraudulent misrepresentation, misappropriation and conversion, fraudulent conveyance, knowing assistance, knowing receipt, unjust enrichment, breach of trust, and conspiracy in the amount of \$44,448,871, or such further or other sums as shall be provided prior to or proven at trial; and
 - b) aggravated, exemplary, and punitive damages in the amount of \$5,000,000.

3. The Plaintiff claims against the Defendants, ~~Sonja Santor a.k.a. Sonja Nistelberger~~, Prosapia Capital Management Corp., Prosapia Holdings Inc., Prosapia Property Management Inc., Prosapia Wealth Management Ltd., John Doe, Mary Doe, and ABC Company (defined below as the **Enriched Defendants**):

- a) damages and/or restitution for knowing receipt and unjust enrichment in the amount of \$44,448,871, or such further or other sums as shall be provided prior to or proven at trial.

4. The Plaintiff claims against all Defendants:

- a) in the alternative, disgorgement of any and all proceeds and profits earned from the Fraudulent Scheme (defined and described below);
- b) special damages arising from the detection, investigation, and quantification of the losses suffered by the Plaintiff, as described in this claim, the particulars of which will be provided prior to trial;
- c) an accounting of all funds, assets, and property of any kind had and received from the Fraudulent Scheme;
- d) a declaration that the Plaintiff possesses an equitable interest in the assets, property (real and personal), and interests of the Defendants, on the basis of a constructive, resulting, implied, and/or express trust;
- e) an equitable tracing of the proceeds misappropriated by the Defendants from the Plaintiff into the assets, property, and interests of the Defendants and/or others;
- f) an interim, interlocutory, and permanent injunction restraining each of the Defendants, respectively, together with their employees, agents, assigns, and any

person acting on their behalf or in conjunction with them, and any and all persons with notice of the Order sought, pending satisfaction of any Judgment granted in this proceeding, from directly or indirectly, by any means whatsoever:

- (i) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or dealing with any assets of the Defendants, whether solely or jointly owned, wherever situated in the world, including, without limitation, any funds received from the Plaintiff through the Fraudulent Scheme (defined and described below), including any and all accounts into which such funds may be traced or into which such funds have been transferred;
 - (ii) instructing, requesting, counselling, demanding, or encouraging any other person to do so; and,
 - (iii) facilitating, assisting in, aiding, abetting, or participating in any acts which would have the effect of doing so;
- g) pre-judgment and post-judgment interest on any portion of the fraudulently obtained loans outstanding from time to time from the date the loans were advanced by the Fund until repaid in full, calculated:
 - (i) at the rate of 10 percent per annum or any other contractual rate applicable to a fraudulently obtained loan as set out in the loan documentation presented to the Fund by Mr. Santor as part of the Fraudulent Scheme (as defined below),
 - (ii) in the alternative, at the rates of return that prevailed in the market from time to time at which the Fund would have been able to earn a return

on the various outstanding loan amounts had the Fund not been induced through the Fraudulent Scheme (as defined below) to make the loans, or

(iii) in the further alternative, at the rates prescribed for pre-judgment and post-judgment interest under the *Courts of Justice Act*, RSO 1990, c C.43, as amended;

h) costs of this action on a full indemnity basis; and

i) such further and other relief as this Honourable Court deems just.

A. The Parties

5. Productivity Media Inc. (**PMI**), is an Ontario corporation, incorporated under the Ontario *Business Corporations Act*, RSO 1990, c B.16, on January 17, 2012. PMI is the general partner of the Plaintiff, Productivity Media Income Fund I LP. At all material times, PMI carried on business in Ontario. From January 2012 to November 2023, it maintained its registered office in Oakville, Ontario. From November 2023 onward, PMI's registered office has been in Burlington, Ontario.

6. The Plaintiff, Productivity Media Income Fund I LP (the **Fund**), was formed and organized under the Ontario *Limited Partnerships Act*, RSO 1990, c L.16, on February 29, 2012. At all material times, the Fund carried on business in Ontario. From January 2012 to November 2023, it maintained its primary place of business in Oakville, Ontario. From November 2023 onward, the Fund's principal place of business has been in Burlington, Ontario.

7. KSV Restructuring Inc. is the receiver and manager over the business and affairs of PMI and the Fund pursuant to the Order of Justice Conway dated November 19, 2024.

8. PMI and the Fund had three co-founders (the **Co-Founders**), who remain PMI's only shareholders and directors:

- (a) The ~~Defendant~~, late William Gregory Santor (**Mr. Santor**), who at all material times served as PMI's Chief Executive Officer and led the Fund's Investment Committee. ~~Mr. Santor~~ The Santor Estate holds 50% of the voting shares of PMI. As a result of the investigation into the matters at issue in this Action, Mr. Santor was put on a temporary leave of absence from PMI;
- (b) Andrew Chang-Sang (**Mr. Chang-Sang**), who holds 25% of the voting shares of PMI and at all material times served as PMI's President and Chief Financial Officer; and
- (c) John Hills (**Mr. Hills**), who holds 25% of the voting shares of PMI and at all material times served as an executive of PMI, including for a time as its Chief Operating Officer.

9. The relationship between PMI and the Fund is governed by the Fourth Amended and Restated Limited Partnership Agreement, dated June 15, 2015 (the **Limited Partnership Agreement**). It was signed by Mr. Santor and Mr. Chang-Sang on behalf of PMI and by Mr. Santor on behalf of all of the Fund's limited partners.

10. ~~The Defendant~~, Mr. Santor, ~~is~~ was an individual ordinarily resident in the Cayman Islands until his death on December 28, 2024. He ~~is~~ was a Canadian citizen and was a resident of Burlington, Ontario, until he switched his primary residency to the Cayman Islands sometime in approximately 2019.

11. ~~The Defendant~~, Sonja Santor, also known as Sonja Nistelberger (**Ms. Santor**), is an individual ordinarily resident in the Cayman Islands. Ms. Santor ~~is~~ was the wife to Mr. Santor and

is the Executrix of the Santor Estate. She was a resident of Burlington, Ontario, until she switched her primary residency to the Cayman Islands sometime in approximately 2019.

12. ~~Mr. Santor~~ The Santor Estate is the owner or beneficial owner of all or part of the following Defendant companies:

- (a) 8397830 Canada Inc. (**839 Canada**), a company incorporated pursuant to the laws of Canada on January 4, 2013. At the time of his death, Mr. Santor ~~is~~ was the sole director and shareholder of 839 Canada. This ~~is~~ was Mr. Santor's main Canadian holding company.
- (b) Joker Films Productions Inc. (**Joker Films**), a British Columbia company incorporated on March 19, 2014. It was previously owned by Tim Brown, who was no longer an officer of Joker Films as of September 2022. At the time of his death, Mr. Santor ~~is~~ was Joker's Film's sole director, and the corporation is either wholly or primarily owned by 839 Canada.
- (c) Productivity Media Releasing Inc. (**PM Releasing**), a company incorporated pursuant to the laws of Ontario on December 21, 2018. At the time of his death, Mr. Santor ~~is~~ was the sole director and officer of PM Releasing.
- (d) Productivity Media Rentals Inc. (**PM Rentals**), a company incorporated pursuant to the laws of Ontario on January 27, 2021. At the time of his death, Mr. Santor ~~is~~ was the sole director of PM Rentals.
- (e) Productivity Media Productions (Cayman) Ltd. (**PM Cayman**), a company incorporated pursuant to the laws of the Cayman Islands on January 14, 2021. At the time of his death, Mr. Santor ~~is~~ was the sole director and shareholder of PM Cayman.

- (f) Prosapia Capital Management Corp. (**Prosapia Capital**), a company incorporated pursuant to the laws of Ontario on September 15, 2006. At the time of his death, Mr. Santor ~~is~~ was the sole director.
- (g) Prosapia Holdings Inc. (**Prosapia Holdings**), a company incorporated pursuant to the laws of Ontario on March 23, 2009. At the time of his death, Mr. Santor ~~is~~ was the sole director.
- (h) Prosapia Property Management Inc. (**Prosapia Property**), a company incorporated pursuant to the laws of Ontario on November 5, 2008. At the time of his death, Mr. Santor ~~is~~ was the sole director.
- (i) Prosapia Wealth Management Ltd. (**Prosapia Wealth**), a company incorporated pursuant to the laws of Ontario on June 14, 2006. At the time of his death, Mr. Santor ~~is~~ was the sole director.
- (j) Erbschaft Capital Corp. (**Erbschaft**), a company incorporated pursuant to the laws of the Cayman Islands on August 3, 2020. At the time of his death, Mr. Santor ~~is~~ was the sole director and shareholder.
- (k) Stream.TV (Cayman) Ltd. (**Stream.TV Cayman**), a company incorporated pursuant to the laws of the Cayman Islands on June 21, 2021. At the time of his death, Mr. Santor ~~is~~ was the sole director and Erbschaft is the sole shareholder.
- (l) Stark Industries Limited (**Stark Industries**), a company incorporated pursuant to the laws of the Cayman Islands on June 30, 2021. At the time of his death, Mr. Santor ~~is~~ was the sole director and Erbschaft is the sole shareholder.

13. As will be described further in this Statement of Claim, Mr. Santor incorporated a number of corporations for the purposes of carrying out the Fraudulent Scheme, including but not limited to:

- (a) Radiant Films International Inc. (**Radiant Canada**), an Ontario company incorporated on February 12, 2020. At the time of his death, Mr. Santor ~~is~~ was its sole director and officer. This is a separate and unrelated entity from the legitimate global film sales agency known as Radiant Films International LLC (**Radiant US**), which is a California limited liability company incorporated on October 4, 2011, whose Chief Executive Officer is Kathleen Steinbauer, also known as Mimi Steinbauer;
- (b) Dark Star Pictures (Canada) Inc. (**Dark Star Canada**), a British Columbia company incorporated on January 7, 2019. At the time of his death, Mr. Santor ~~is~~ was its sole director and officer. This is a separate and unrelated entity from the legitimate film distribution entity known as Dark Star Pictures, LLC (**Dark Star US**), which is a California limited liability company incorporated on September 7, 2017, whose Chief Executive Officer is Michael Robert Repsch; and
- (c) Concourse Media Inc. (**Concourse Canada**), a British Columbia company incorporated on August 23, 2017. At the time of his death, Mr. Santor ~~is~~ was its sole director and officer. This is a separate and unrelated entity from the legitimate film distribution entity known as Concourse Media LLC (**Concourse US**), which is a Delaware limited liability company incorporated on December 4, 2014, whose Chief Executive Officer is Michael Shreder.

14. As will be described further in this Statement of Claim, in carrying out the Fraudulent Scheme, Mr. Santor also repeatedly represented that 839 Canada was doing business as “Joker

Media” and that Tim Brown, the founder and, until August 2022, the President and CEO of Joker Films, was executing various loan documents as the authorized signing officer of 839 Canada doing business as Joker Media.

15. The Defendants, John Doe, Mary Doe, and ABC Company are individuals and companies respectively who participated in or benefitted from the Fraudulent Scheme as either Fraudulent Defendants or Enriched Defendants (each as defined below), but whose identities are presently unknown to the Plaintiffs.

B. The Business of the Plaintiff

16. The Fund provides senior secured debt financing for independent film and television productions (**Media Projects**) in Canada, the United States, the United Kingdom, the Cayman Islands, and other locations around the world.

17. The Fund generally offers two (2) types of financing:

- (a) Production financing. These loans are made to production companies for Media Projects, and are secured against three (3) types of collateral: (i) tax credits offered by various governments (which may be rebates or transferable credits), (ii) pre-sales and/or minimum guarantees secured and/or offered by sales agents and/or distributors, as applicable, and (iii) revenues to be derived by sales in presently unsold territories (commonly referred to as “gap”). These loans are made to producers with active Media Projects and the borrower is usually the special purpose entity created for the specific Media Project and which holds all rights in and to the Media Project.
- (b) Loans to global sales agents and distribution companies, that are not used for production financing. These loans are made to sales agents and distribution

companies in order to allow them to provide a “minimum guarantee” (**MG**) with respect to a specific Media Project. An MG is a commitment by the sales agent or distributor to pay a certain minimum amount (i.e., a guaranteed amount) to the production company for a Media Project, regardless of the actual sales that the sales agent or distributor secures on the Media Project. Agreements as to an MG are documented by way of a “Sales Agency Agreement” or similar document between the sales agents/distribution companies and the entities that hold the rights to produce a Media Project. These are usually the Media Project’s producers, which often hold the rights through a special purpose vehicle or “SPV,” incorporated for the purposes of the specific Media Project. The loans are secured against all assets of the applicable sales agent or distribution company (**MG Loans**).

18. The loans involved in the Fraudulent Scheme, as described below, were the second type of loan noted above: MG Loans made to sales agents and distribution companies.

19. As CEO and the public face of PMI and the Fund, Mr. Santor has historically been the initial contact point for almost all of the Fund’s investment opportunities. By the time of the Fraudulent Scheme described below, Mr. Santor had developed extensive connections throughout the international film industry, which he used to identify and negotiate potential investments to present to the Fund’s investment committee, which he led. The committee was comprised of the three Co-Founders (the **Investment Committee**).

20. Since PMI’s founding in 2012, Mr. Chang-Sang and Mr. Hills primarily focused on the business’s internal operations, including the overall structure and performance of the Fund, PMI’s

information technology, and interfacing with the limited partners, PMI employees, and the Fund's administrator, auditor, and other service providers.

21. Due to his knowledge of the financial inner working of Media Projects and the entertainment industry generally, Mr. Santor was primarily responsible for preparing sales projections and evaluating the commercial viability of a proposed Media Project for presentation to the Investment Committee. While Mr. Chang-Sang and Mr. Hills would review the high-level financial projections and the business rationale behind a proposed Media Project loan before approving Mr. Santor's proposal and instructing the Fund's administrator, Apex Fund Services (Canada) Ltd. (**Apex**), to advance the requested loan advances to the Media Project, they relied heavily on Mr. Santor's assessment of any Media Project's financial viability, timeline, and the quality of the creative team behind it.

C. The Fraudulent Scheme, Generally

22. Mr. Santor, 839 Canada, Dark Star Canada, Concourse Canada, Radiant Canada, Joker Films, PM Releasing, PM Rentals, PM Cayman, PM Foundation, Erbschaft, Stream.TV Cayman, Stark Industries, John Doe, Mary Doe, and ABC Company (collectively, the **Fraudulent Defendants**, with the Santor Estate being substituted for Mr. Santor where required by the context) designed, orchestrated, implemented, and benefitted from, and the remaining Defendants (the **Enriched Defendants**) benefitted from, a scheme to defraud the Fund and thereby obtain monies under false pretences (the **Fraudulent Scheme**).

23. The particulars of the Fraudulent Scheme outlined below are to the best of PMI's and the Fund's current knowledge and information, although the details of the Fraudulent Scheme are known by the Fraudulent Defendants. Full particulars of the Fraudulent Scheme will be sought in this action.

24. To the best of PMI's and the Fund's knowledge, the following are the particulars of the Fraudulent Scheme:

- (a) Mr. Santor, possibly with assistance from other Fraudulent Defendants, identified established sales agents or distribution companies within the entertainment industry, such as Radiant US, Dark Star US, Concourse US, and Joker Films (each a **Target Corporation**), who,
 - (i) had legitimate business dealings with PMI and therefore would be familiar to and trusted by the other members of the Investment Committee, and
 - (ii) would plausibly require MG Loans from the Fund to enable the Target Corporation to expand its operations and provide proof of available funds for MGs to production companies on new Media Projects;
- (b) For each Target Corporation, Mr. Santor either,
 - (i) incorporated a similarly named corporation that he controlled, such as Radiant Canada, Dark Star Canada, and Concourse Canada (each an **Imposter Corporation**), or
 - (ii) represented to PMI and the Fund that 839 Canada was doing business as the Target Corporation, such as "8397839 Canada Inc. d/b/a Joker Media";
- (c) For each Imposter Corporation, Mr. Santor opened a bank account in the Imposter Corporation's name, of which he had sole control;

- (d) For each Imposter Corporation, Mr. Santor registered a fake domain name (an **Imposter Domain Name**) similar to the legitimate domain name of the Target Corporation, such as,
- (i) “www.radiant-ent.com,” the Imposter Domain Name that Mr. Santor used to imitate the legitimate domain name “www.radiant-films.com” owned by Radiant US,
 - (ii) “www.dark-starent.com,” the Imposter Domain Name that Mr. Santor used to imitate the legitimate domain name “www.darkstarpics.com” owned by Dark Star US, and
 - (iii) “www.concoursemedia.media,” the Imposter Domain Name that Mr. Santor used to imitate the legitimate domain name “www.concourse-media.com” owned by Concourse US;
- (e) Mr. Santor used the Imposter Domain Names to create fake email accounts (**Imposter Email Accounts**) similar to the legitimate email accounts used by the principals of the Target Corporations, such as,
- (i) “mimi@radiant-ent.com,” the Imposter Email Account that Mr. Santor used to impersonate the legitimate email account of “mimi@radiant-films.com” used by Mimi Steinbauer of Radiant US,
 - (ii) “miker@dark-starent.com,” the Imposter Email Account that Mr. Santor used to impersonate the legitimate email account of “mike@darkstarpics.com” used by Mike Repsch of Dark Star US, and

- (iii) “shreder@concoursemedia.media” and “felts@concoursemedia.media,” the Imposter Email Accounts that Mr. Santor used to impersonate the legitimate email accounts of “shreder@concourse-media.com” and “felts@concourse-media.com” used by Matthew Shreder and Andrew Felts of Concourse US;
- (f) In at least one case, Mr. Santor created a Gmail account that he used as an Imposter Email Account, namely the email address “tbrownjoker@gmail.com,” which he used to impersonate Tim Brown of Joker Films, whose legitimate email address was “tim@jokerfilms.com”;
- (g) For most or all of the Target Corporations, Mr. Santor prepared a fraudulent deal memo to present to the Fund’s Investment Committee, which set out the rationale and terms for a proposed deal Mr. Santor falsely represented he had negotiated with the Target Corporation (a **Deal Memo**), based on which terms Mr. Santor proposed the Fund should provide the Target Corporation with a multi-project revolving credit facility (a **Credit Facility**);
- (h) Mr. Santor represented to the Investment Committee that,
- (i) each Credit Facility would be secured with a general security agreement (**GSA**) over all the assets of the Target Corporation,
 - (ii) the Target Corporation would need to request a separate loan advance from the Credit Facility to backstop the MG for each Media Project (i.e. an MG Loan), for which a formal borrowing certificate (an **Advance Request Certificate**) would be prepared for review and approval by the Investment Committee,

- (iii) each MG Loan under the Credit Facility would be paid into a secure “growth account” opened in the name of the Target Corporation but controlled by PMI (a **Growth Account**) until such time as it was determined whether or not the Target Corporation would need to draw on the MG Loan in order to satisfy the MG, which Mr. Santor represented was unlikely since the Target Company would usually meet or exceed their sales target for the Media Project in question, providing the Target Company with sufficient sales revenue to pay the MG and more,
 - (iv) each MG Loan deposited into a Growth Account would remain in the account securing the Target Corporation’s MG until such time as the Media Project was “delivered,” meaning completed and ready for distribution to audiences, and
 - (v) PMI would have sole discretion to approve or reject each MG Loan requested by the Target Corporation;
- (i) In order to induce PMI and the Fund to make an MG Loan to an Imposter Corporation or to 839 Canada, Mr. Santor, possibly with assistance from other Fraudulent Defendants, identified a Media Project (a **Target Media Project**) that,
- (i) was currently, or previously had been, under development, and
 - (ii) was currently, or at some point had been, connected with one of the Target Corporations;
- (j) After selecting a Target Media Project, Mr. Santor prepared,

- (i) a fraudulent Advance Request Certificate, which identified the Imposter Corporation's or 839 Canada's bank account as the account into which the MG Loan would be deposited,
- (ii) a fake distribution agreement or sales agency agreement between the Target Corporation and the rights holder of the Target Media Project, and
- (iii) purported loan calculations for the Target Media Project, including the approved loan amount, closing fees, interest rate, income for the Fund, amount advanced, and associated costs

(collectively, the **Advance Request Package**);

- (k) After preparing the Advance Request Package, Mr. Santor presented it to the Investment Committee and recommended that the Target Corporation's purported request for an MG Loan advance from the Target Corporation's Credit Facility be approved and that Mr. Chang-Sang or Mr. Hills direct the Fund's administrator to wire the requested MG Loan amount, less PMI and the Fund's closing fees, to the Imposter Corporation's or 839 Canada's bank account identified in the Advance Request Certificate;

- (l) Relying upon,

- (i) Mr. Santor's entertainment industry experience and connections,
- (ii) the Advance Request Package prepared and presented by Mr. Santor, and
- (iii) other representations made by Mr. Santor leading up to and/or during the Investment Committee meeting,

the other Co-Founders approved the MG Loan request and authorized the wiring of the MG Loan to the bank account identified by Mr. Santor;

- (m) Once an MG Loan was deposited into an Imposter Corporation's or 839 Canada's bank account, contrary to Mr. Santor's representations, the Fraudulent Defendants did not keep the funds securely stored in a "Growth Account" to support the Target Corporation's purported MG for the Target Media Project, but rather used the fraudulently obtained funds for their personal benefit or for the benefit of others, at their direction;
- (n) In order to conceal the Fraudulent Scheme, Mr. Santor used the Imposter Email Addresses to impersonate the principals of the Target Corporations, including to send and receive audit confirmation letters that were required by MNP LLP, who served as the Fund's auditors at all material times (**MNP**), to verify the legitimacy of the MG Loans (**Audit Confirmation Letter(s)**). On most occasions, Mr. Santor,
 - (i) used his PMI email address to email the Audit Confirmation Letters to the relevant Imposter Email Address, copying the auditors and Mr. Chang-Sang,
 - (ii) electronically signed the Audit Confirmation Letters as the principal of the Target Corporation, misrepresenting that the Target Corporation had received the MG Loans that Mr. Santor had induced the Fund to make on false pretenses, and
 - (iii) used the Imposter Email Address to send the fraudulently signed Audit Confirmation Letters back to his own PMI email address, copying Mr. Chang-Sang and MNP;

- (o) As is discussed in further detail below, on at least one occasion Mr. Santor further concealed the Fraudulent Scheme by successfully pressuring one of the principals of a Target Corporation, namely Mimi Steinbauer of Radiant US, to,
 - (i) sign and return an Audit Confirmation Letter stating that she had received various MG Loans from the Fund, even though Ms. Steinbauer knew that to be false, and
 - (ii) verbally confirm to PMI's external entertainment counsel, Doug Murray of Taylor Oballa Murray Leyland LLP, that the Audit Confirmation Letter she had signed was accurate and that Radiant US had received the MG Loans listed on the Audit Confirmation Letter;
- (p) In order to explain delays in the MG Loans being repaid as required under the terms of the Deal Memos and Advance Request Certificates, Mr. Santor in part blamed the unprecedented industry-wide disruptions that had resulted from the COVID-19 pandemic, which was closely followed by the simultaneous 2023 strikes of the Writers Guild of America and the Screen Actors Guild – American Federation of Television and Radio Artists (SAG-AFTRA);.
- (q) In order to avoid suspicions and continue to conceal the Fraudulent Scheme, the Fraudulent Defendants arranged for occasional “repayments” of earlier MG Loans to be made to the Fund using money the Fraudulent Defendants had obtained from later MG Loans;
- (r) The Fraudulent Defendants, or any of them, received the proceeds of the Fraudulent Scheme and directed some of those proceeds to the Enriched Defendants. Further, the Fraudulent Defendants knew or ought to have known that

the Fraudulent Scheme was in fact fraudulent and that the Plaintiffs did not authorize or approve the Fraudulent Scheme;

- (s) Based upon the foregoing circumstances, the Fraudulent Defendants have wrongfully misappropriated, converted, and taken the property of the Plaintiff, for their own personal benefit and for the benefit of the Enriched Defendants, to the detriment of the Plaintiff; and
- (t) Such further and other particulars of the Fraudulent Scheme as may be proven at the trial of this action.

D. Discovery of the Fraudulent Scheme

25. On April 5, 2024, Shara Lerman, the General Counsel of PMI, spoke on the telephone with Mimi Steinbauer, the principal of Radiant US. During that phone call, Ms. Steinbauer expressed her frustration with Mr. Santor, among other things. When Ms. Lerman pressed her on for more details, Ms. Steinbauer stated that there was one time that Mr. Santor had asked Ms. Steinbauer to sign something that was fake.

26. Ms. Steinbauer explained that Mr. Santor had asked Ms. Steinbauer to sign an Audit Confirmation Letter on behalf of Radiant US for loans that did not exist. She explained that she felt forced by Mr. Santor into signing the Audit Confirmation Letter. Ms. Steinbauer explained that Mr. Santor told her not to worry: there were no signed loan agreements and therefore Ms. Steinbauer and Radiant US would not actually be liable for anything. Ms. Steinbauer further explained that she told her legal counsel about this a few months later, and was advised never to do that again. Ms. Steinbauer explained that Mr. Santor made the same request the following year, and Ms. Steinbauer refused to sign again.

27. Ms. Lerman advised Mr. Chang-Sang, and later Mr. Hills, of Ms. Steinbauer's allegations, and they began to covertly investigate Ms. Steinbauer's allegations. These investigatory efforts were complicated by the fact that Ms. Steinbauer had previously confirmed receiving various MG Loans both verbally and in writing. It was also challenging to investigate while Mr. Santor remained in his role as CEO, overseeing all of PMI and the Fund's business.

28. While their internal investigation was ongoing, Ms. Lerman, Mr. Chang-Sang, and Mr. Hills monitored Mr. Santor's conduct and ensured that he did not have independent access to the bank accounts of PMI or the Fund. They also sought the advice of external legal counsel on how to proceed.

29. On August 20, 2024, all three Co-Founders received an anonymous email reporting various alleged misconduct in respect of PMI and the Fund (the **Whistleblower Report**), including:

- (a) PMI's portfolio included over \$100 million in "fraudulent" films;
- (b) The legitimate films in PMI's portfolio were significantly overvalued;
- (c) Mr. Santor had been diverting limited receipts from films by instructing distributors to send funds to an account he personally controlled rather than the bank account of the Fund; and
- (d) Mr. Santor and Mr. Chang-Sang passed the recent audit "by using e-mail addresses with similar names to real companies and creating close to but not exact e-mail addresses. They used this deception along with forged signatures on audit confirmations." The anonymous sender provided Radiant Canada as an example, and suggested that Ms. Steinbauer be contacted and asked "if Price of Admission,

Anita, Stripped, Gingerbread Girl or Rachel's Dream exists and if she has Sales Agent facilities totalling \$25+ million owing to PMI."

30. On August 26, 2024, PMI engaged PricewaterhouseCoopers LLP (**PwC**) through PMI's legal counsel, DLA Piper (Canada) LLP (**DLA Piper**), to conduct a privileged and confidential investigation (the **PwC Investigation**) of the allegations set out in the Whistleblower Report on behalf of PMI and the Fund. As of the issuing of this Statement of Claim, that investigation is ongoing.

31. Further, on August 26, 2024, PMI advised Mr. Santor that he was temporarily suspended from his duties as CEO of PMI, until the completion of the PwC Investigation. PMI also took immediate steps to restrict Mr. Santor's access to PMI's email accounts and ensured that Mr. Santor did not have independent access to the bank accounts of PMI or the Fund.

E. Fraudulent Misrepresentations and Deceit Regarding Fraudulent Scheme

32. As particularized above, in perpetrating the Fraudulent Scheme,

- (a) The Fraudulent Defendants, primarily through Mr. Santor, made multiple misrepresentations to PMI and the Fund regarding material facts;
- (b) Those misrepresentations were made despite the Fraudulent Defendants knowing they were false or, in the alternative, being reckless as to their truth;
- (c) The misrepresentations were made with the intention to deceive PMI and the Fund;
- (d) PMI and the Fund relied on those misrepresentations in approving the various Credit Facilities and MG Loans presented by Mr. Santor and in making the MG Loans as requested; and

- (e) As detailed further below, the Fund has suffered damages as a result of its reliance upon the misrepresentations.

F. Breaches of Contractual and Fiduciary Duties Regarding Fraudulent Scheme

33. As CEO of PMI, Mr. Santor had, at all material times, almost exclusive authority and autonomy relating to all aspects of the PMI's business, and by extension, all aspects of the Fund's business.

34. Mr. Santor's relationship with PMI was governed by an employment agreement dated September 1, 2012, which was amended and re-affirmed by Mr. Santor on May 15, 2023, and January 1, 2014 (the **Employment Agreement**).

35. Under the Employment Agreement, at all material times Mr. Santor was responsible for all of the operations of PMI, including:

- (a) raising capital;
- (b) strategic planning, including of potential acquisitions and other opportunities;
- (c) sourcing and assessing Media Projects;
- (d) developing and managing the Fund and associated financial investment vehicles;
- (e) managing PMI's executive team;
- (f) implementing reliable control systems;
- (g) enforcing company policies and procedures to ensure compliance with applicable legislative and regulatory regimes; and

- (h) representing PMI with investors and potential investors.

36. In entering into and repeatedly re-affirming the Employment Agreement, Mr. Santor covenanted with PMI that:

- (a) Except in fulfillment of his duties under the agreement, he would not enter into any contract on behalf of, or in the name of PMI and would not pledge the credit of PMI; and
- (b) He would not at any time be guilty of any conduct or act causing or calculated to cause damage or discredit to the reputation or business of PMI.

37. In his capacity as CEO of PMI, and due generally to his position, and in particular the position of trust and autonomy he occupied at PMI, Mr. Santor owed PMI fiduciary duties, including:

- (a) Duties of fidelity, honesty, loyalty and utmost good faith;
- (b) Duties to refrain from using his position for personal gain;
- (c) Duties to provide information, advice or recommendations to PMI on an impartial or disinterested basis;
- (d) Duties to refrain from entering into engagements in which he had a personal interest without first making full disclosure to PMI; and
- (e) Such further and other duties as may be proven at the trial of this action.

38. Pursuant to section 6.3 of the Limited Partnership Agreement, which Mr. Santor executed on behalf of both PMI and the Fund, PMI was required to exercise its powers and discharge its duties as the Fund's general partner honestly, in good faith, and with a view to the best interests

of the Fund. In connection therewith, PMI was required to exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

39. The above-mentioned contractual and fiduciary duties that Mr. Santor owed to PMI as its CEO and director included ensuring that the PMI fulfilled its duties to the Fund as general partner, including the duties set out in section 6.3 of the Limited Partnership Agreement.

40. In planning, orchestrating and implementing the Fraudulent Scheme outlined above, Mr. Santor breached his fiduciary and contractual duties to PMI and caused PMI to breach its contractual duties to the Fund. As founder and the main directing mind of PMI and the Fund, Mr. Santor had full knowledge of the Limited Partnership Agreement and of PMI's duties to the Fund. His conduct in perpetrating the Fraudulent Scheme was intended to cause PMI to breach the Limited Partnership Agreement and in fact did so, causing the Fund to suffer damages as a result. ~~Mr. Santor~~ The Santor Estate is liable for all damages resulting from the breaches of ~~his~~ Mr. Santor's contractual and fiduciary duties to PMI and of PMI's breaches of contractual duties to the Fund that Mr. Santor induced. The losses and damages that resulted from those breaches are outlined in Section M below.

G. Conspiracy Regarding Fraudulent Scheme

41. Further or in the alternative, the Fraudulent Defendants conspired and entered into an unlawful agreement to defraud the Fund through the Fraudulent Scheme, as particularized above. Such further and other particulars of the conspiracy include the following:

- (a) The Fraudulent Defendants agreed and consented, expressly or impliedly, to all steps taken by each of them in furtherance of the conspiracy and Fraudulent Scheme;

- (b) The Fraudulent Defendants participated in, knowingly assisted in, benefited from, or were willfully blind to the Fraudulent Scheme outlined above;
- (c) Given the circumstances, the Fraudulent Defendants should have known that harm to the Plaintiff was likely to, and did in fact, result; and
- (d) Such further and other particulars as may be proven at the trial of this action.

H. Conversion Regarding Fraudulent Scheme

42. By means of the Fraudulent Scheme, the Fraudulent Defendants have misappropriated and converted the Fund's property for their own uses and thereby deprived the Fund of the benefit of that property, including but not limited to the amounts paid to Mr. Santor through MG Loans paid to Radiant Canada, Dark Star Canada, Concourse Canada, and 839 Canada, net of repayments, in the approximate total amount of \$44,448,871 as set out in Section M below, or such further or other amounts as shall be proven at trial. The Fund is entitled to restitution of the entire amount fraudulently converted.

I. Fraudulent Conveyances Regarding Fraudulent Scheme

43. In furtherance of the Fraudulent Scheme, the Fraudulent Defendants have made conveyances of real and/or personal property to other Fraudulent Defendants and/or to the Enriched Defendants with the intent to defeat, hinder, delay, or defraud the Plaintiff of its just and lawful actions, suits, debts, accounts, damages, penalties, or forfeitures (collectively, the **Fraudulent Conveyances**).

44. The particulars of the Fraudulent Conveyances are known by the Fraudulent Defendants and will be sought in this action.

45. All such Fraudulent Conveyances are void as against the Plaintiff.

46. The Plaintiff pleads and relies upon the *Fraudulent Conveyance Act*, R.S.O. 1990, c. F.29, as amended.

J. Unjust Enrichment Regarding Fraudulent Scheme

47. By means of the Fraudulent Scheme, the Fraudulent Defendants and the Enriched Defendants have benefited from the proceeds of the Fraudulent Scheme to the corresponding detriment of the Plaintiff, without juristic reason. The Fund is entitled to restitution of the entire amount that the Defendants have received from the Fraudulent Scheme.

K. Constructive Trust Regarding Fraudulent Scheme

48. The Fraudulent Defendants and the Enriched Defendants received all or part of the proceeds of the Fraudulent Scheme, or assets acquired thereby, with knowledge, actual or constructive, of the Fraudulent Scheme and hold all such funds or assets as constructive trustees for the benefit of the Plaintiff.

49. Without limiting the generality of the foregoing, the Defendants hold their assets, property, and interests in trust for the benefit of the Plaintiff and are liable to the Plaintiff for repayment and disgorgement. The Fund claims a constructive trust over all real and personal property purchased, maintained, improved, or acquired by any of the Defendants with the proceeds of the Fraudulent Scheme, including but not limited to the assets set forth in Schedule A, and such further and other property as may be identified in advance of or at the trial of this action.

L. Breach of Trust, Knowing Assistance, and Knowing Receipt Regarding Fraudulent Scheme

50. As particularized above, the Fraudulent Defendants and the Enriched Defendants hold the proceeds of the Fraudulent Scheme or the assets acquired, maintained, or improved thereby in a constructive trust, and the failure to return such funds or assets amounts to a breach of trust.

51. Further, the Fraudulent Defendants knowingly assisted in that breach of trust by receiving such funds or assets, and were in knowing receipt of such funds and payments. Each of the Fraudulent Defendants, as particularized above:

- (a) knew that Mr. Santor owed fiduciary duties to PMI and that PMI also owed duties of honesty, good faith, and the exercise of care, diligence, and skill to the Fund;
- (b) knew that Mr. Santor breached, and in turn caused PMI to breach, those duties fraudulently and dishonestly; and
- (c) participated in and/or assisted Mr. Santor's fraudulent and dishonest conduct.

52. Further, or in the alternative, the Fraudulent Defendants and the Enriched Defendants received benefits as a result of the Fraudulent Scheme and knew or ought to have known that the funds were the fruits of fraud, or alternatively, took those benefits while either reckless or wilfully blind with respect to the source of the funds, or alternatively, with constructive knowledge of their fraudulent nature.

M. Loss or Damage Caused by the Fraudulent Scheme

53. As a result of the unlawful actions as set out above, the Defendants are jointly and severally liable for all damages and losses experienced by the Plaintiff as a result of the

Fraudulent Scheme. In particular, the Fund has suffered or will suffer the following losses or damages:

- (a) \$44,448,871 in fraudulent MG Loans that have not been repaid, consisting of:
 - (i) \$17,998,750 advanced to Radiant Canada, none of which was ever repaid,
 - (ii) \$17,707,500 advanced to Dark Star Canada, less \$6,873,885 in repayments,
 - (iii) \$28,005,000 advanced to Concourse Canada, less \$21,850,787 in repayments, and
 - (iv) \$32,940,000 advanced to 839 Canada, purportedly doing business as Joker Media, less \$25,040,550 in repayments;
- (b) Interest on any portion of the fraudulent MG Loans outstanding from time to time from the date the MG Loans were advanced by the Fund until repaid in full, both before and after judgment:
 - (i) At the rate of 10 percent per annum or any other contractual rate applicable to an MG Loan set out in the Deal Memos and other loan documentation presented to the Investment Committee by Mr. Santor,
 - (ii) In the alternative, at the rates of return that prevailed in the market from time to time at which the Fund would have been able to earn a return on the various MG Loans had the Fund not been induced by Mr. Santor to make the fraudulent MG Loans, or

(iii) In the further alternative, at the rates prescribed for pre-judgment and post-judgment interest under the *Courts of Justice Act*, RSO 1990, c C.43;

(c) All costs, fees, and expenses relating to the detection, investigation of, and quantification of losses resulting from the Fraudulent Scheme, on a full indemnity basis; and

(d) Such further or other amounts as may be proven at the trial of this action.

54. The Defendants are jointly and severally liable to the Fund to make restitution to it respecting the loss or damages described above, and to disgorge all proceeds and benefits received by them as a result of the Fraudulent Scheme.

N. Punitive Damages and Full Indemnity Costs Regarding Fraudulent Scheme

55. The Plaintiff is entitled to recover punitive and exemplary damages from the Fraudulent Defendants, jointly and severally, in the amount of \$5,000,000, or such further and other amounts as directed by this Honourable Court, as a result of the Fraudulent Scheme.

56. Further, as a result of their conduct, as set out above, the Fraudulent Defendants and the Enriched Defendants, jointly and severally, ought to pay to the Plaintiff the costs of this Action on a full indemnity basis.

O. No Leave Required to Serve the Claim Outside Ontario

57. This Statement of Claim may be served outside of Ontario without leave of the Court based on subrules 17.02 (a), (f), (g), and (p) of the *Rules of Civil Procedure*, RRO 1990, Reg 194.

58. In particular, as detailed above, the Plaintiff's claims are:

- (a) In respect of personal property in Ontario;
- (b) In respect of a Limited Partnership Agreement and an Employment Agreement that were made in Ontario, breached in Ontario, and with respect to which the parties agreed that the courts of Ontario would have jurisdiction;
- (c) In respect of various torts committed in Ontario; and
- (d) Against persons ordinarily carrying on business in Ontario.

59. The Plaintiff proposes that the trial of the action take place in the City of Toronto.

~~November 22, 2024~~
June 17, 2025

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PRODUCTIVITY MEDIA INC., by its court-appointed receiver and manager
KSV RESTRUCTURING INC.

and

THE ESTATE OF WILLIAM GREGORY SANTOR
ET AL

Plaintiff

Defendants

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

PROCEEDING COMMENCED AT
TORONTO

AMENDED STATEMENT OF CLAIM

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NOTICE OF MOTION

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