ksv advisory inc.

Supplement to Fourth Report of KSV Restructuring Inc. as Receiver and Manager of Productivity Media Inc., Productivity Media Income Fund I LP, Productivity Media Lending Corp. I and 8397830 Canada Inc.

November 24, 2025

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COURT FILE NO.: CV-24-00730869-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

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

SUPPLEMENT TO FOURTH REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

NOVEMBER 24, 2025

1.0 Introduction

1. This report (the "**Supplemental Report**") supplements the Fourth Report.

2. Unless otherwise defined herein, capitalized terms have the meanings provided to them in the Fourth Report.

3. This Supplemental Report is subject to the restrictions in the Fourth Report.

2.0 Background

1. The Fourth Report recommends that the Ontario Court issue an Approval and Vesting Order (the "**AVO**"), that:

   a. approves the Share Purchase Agreement, the Sale and Participation Agreement and the Transactions; and

   b. transfers and vests the Receiver's and 839 Canada's right, title and interest in and to the 839 WSS Shares in the Purchaser, free and clear of all Encumbrances other than the Permitted Encumbrances, following the Receiver's delivery of a certificate confirming closing of the Transactions substantially in the form attached as Schedule "A" to the proposed AVO.

3.0 November 19th Motion

1. At the motion to approve the Transactions heard on November 19, 2025 (the "**November 19th Motion**"), Claudio Aiello, counsel for Alan Plaunt and 1401713 Alberta Ltd. ("**140 Alberta**") objected to the Court's approval of the Transactions.

2. In addition to reasserting his client's alleged constructive trust claims (described in more detail below), Mr Aiello made vague complaints about the merits of the proposed Transactions and questioned the Receiver's recommendations, which are supported by the major PMI stakeholder group, represented by Element Funds.

3. Through inadvertence by the Receiver, Mr. Aiello was not served with the motion materials for the November 19th Motion, believing that his client's concerns had been addressed by the Dietrich Endorsement (as defined below) and were limited to asserting claims against the proceeds of sale of a condominium not owned by 839 Canada.

4. As a result of the concerns raised by Mr. Aiello, Justice Steele adjourned the November 19th Motion to November 25, 2025.

5. Plaunt and 140 Alberta are plaintiffs in a 2023 action that seeks recovery via tracing and accounting of monies originally given to Santor on terms in 2009 and 2020. Part of that action relates to a constructive trust claim over the proceeds of a settlement in or around October 2017 of an earlier action (the "**Media House Settlement**"), as detailed further in the Receiver's Third Report to Court dated June 17, 2025, a copy of which is provided in **Appendix "A",** without appendices. Those settlement proceeds consist of $2.85 million of cash proceeds, ownership over a series of secured and unsecured loans, and entitlement to royalty payments relating to four movies.

6. In the context of the motions to approve the Transactions, Mr. Aiello raises issues similar those he raised concerning relief sought in the Third Report. Justice Dietrich issued an endorsement dated July 15, 2025 addressing those concerns. A copy of Justice Dietrich's endorsement (the "**Dietrich Endorsement**") is provided in **Appendix "B"**. Mr. Aiello's client has not taken any steps to address his claims since that time.

7. Immediately following the November 19, 2025 motion before Justice Steele, counsel to the Receiver hosted a Teams call among Mr. Aiello, Mr. Kofman, Mr. Lamek and Mr. Hatney, counsel to the Element Fund, to discuss Mr. Aiello's concerns and informational requests.

8. At the November 19th Motion, and as discussed in the Monitor's Fourth Report and on the Teams call, the Monitor explained that millions of dollars have been transacted through 839 Canada's Canadian dollar bank account at National Bank of Canada (the "**NBC CAD Account**") since the date of the Media House Settlement (which amounts seem to have been paid to 839 Canada in or around October, 2017) and the date of 839 Canada's first WSS Share purchase payment in April, 2022.

9. Promptly following the Teams call, counsel to the Receiver provided Mr. Aiello with a copy of the March 31, 2022 Share Purchase Agreement pursuant to which 839 Canada purchased the WSS shares, to provide Mr. Aiello with evidence of the timing of the WSS share acquisition transaction and payment schedule, as compared to the October 2017 misappropriation of the Media House settlement proceeds by Mr. Santor.

10. At the same time, counsel to the Receiver also provided Mr. Aiello with a copy of the Receiver's Second Report (filed in respect of the addition of 839 Canada as a Respondent debtor to the PMI Receivership Proceedings), which provided further details regarding the millions of dollars (principally originating from PMIF) that flowed through the NBC CAD Account during the period between October 2017 (when the Media House settlement proceeds were misappropriated by Mr. Santor) and November 26, 2021, being four months before the date on which 839 Canada made its first payment to WSS for the WSS shares.

11. In order to assist Mr. Aiello with any questions about the merits of the Transactions, counsel to the Receiver offered to connect Mr. Aiello with Ernst & Young Inc., the financial advisor to the Element Fund, which has been in consultation with the Receiver regarding the Transactions, to discuss their analysis of the benefits of the Transactions to stakeholders. He declined.

12. Still on November 19, 2025, counsel to the Receiver provided Mr. Aiello with a Cash Transaction Schedule summarising, for the period between December 2017 and October 2023 (the "**Transaction Period**"): (i) the deposits made into the NBC CAD Account in excess of $1 million; (ii) the occasions on which the balance in that account fell below $50,000 (including evidence of overdraft balances), and (iii) the payments to WSS for the 839 Canada Purchased shares. A copy of the Schedule (with immaterial corrections subsequently provided to Mr. Aiello) is attached hereto as **Appendix "C"**.

13. The Schedule shows several instances during the Transaction Period where the NBC CAD Account was in overdraft. The NBC CAD Account statements for the months of May and July 2021 demonstrating certain (but not all) of the overdraft balances during the Transaction Period are provided in **Appendix "D"**. These were provided to Mr. Aiello on November 21, 2025.

14. Later on November 21, 2025, counsel to the Receiver provided Mr. Aiello with a ShareFile link containing all NBC CAD Account statements in the Receiver's possession, including 81 monthly NBC CAD Account statements, 81 monthly NBC U.S. dollar account statements and 84 Bank of Montreal accounts statements. (Statements for the latter two accounts were provided notwithstanding that all 839 Canada's purchases of WSS Shares were through the NBC CAD Account.)

15. Mr. Plaunt continues to make vague requests for "all financial records from 2017 through to the date of completion of the WSS share purchase payments". At no time since the November 19th Motion, has Mr. Aiello made any enquiries regarding the merits of the proposed Transactions.

4.0 Conclusion and Recommendation

1. Mr. Aiello's client's rights were, and are, preserved through the Dietrich Endorsement. Mr. Aiello's client has taken no steps since then to advance his claim. The Receiver continues to believe that the Transactions are in the best interest of all stakeholders, including Mr. Aiello's client. Mr. Aiello will be served on all Receiver's motions going forward.

2. To further address Mr. Aiello's concerns, the Receiver is prepared to add protective language to the end of paragraph 4 of the draft Approval and Vesting Order:

> "Nothing in this order shall prejudice, limit or otherwise impair the "Plaunt Constructive Trust Claim" as defined in the Order of this Court dated July 15, 2025 as it may relate to the net proceeds of sale of the 839 Owned Shares, including the Receiver Net Participation (as defined in the Share Purchase Agreement)".

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC. AS RECEIVER AND MANAGER OF PRODUCTIVITY MEDIA INC., PRODUCTIVITY MEDIA INCOME FUND I L.P., PRODUCTIVITY MEDIA LENDING CORP. AND 8397830 CANADA INC. AND NOT IN ITS PERSONAL CAPACITY

Appendix “A”

Third Report of KSV Restructuring Inc. as Receiver and Manager of Productivity Media Inc., Productivity Media Income Fund I LP and Productivity Media Lending Corp. I

June 17, 2025

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ONTARIO
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BETWEEN:

TWO SHORES CAPITAL CORP.

Applicant

- and -

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

Respondents

THIRD REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

JUNE 17, 2025

1.0 Introduction

1. Pursuant to an application made by Two Shores Capital Corp. ("**Two Shores**"), the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**") issued an order (the "**Receivership Order**") on November 19, 2024 (the "**Filing Date**") appointing KSV Restructuring Inc. ("**KSV**") as the court-appointed receiver and manager (the "**Receiver**") of Productivity Media Inc. ("**PMI**"), Productivity Media Income Fund I LP ("**PMIF**") and Productivity Media Lending Corp. I ("**PMLC**"). A copy of the Receivership Order is attached as Appendix "**A**".

2. Pursuant to an application made by the Receiver on behalf of PMI and PMIF, on December 2, 2024, the Ontario Court issued an order (the "**Mareva and Norwich Order**") in respect of William Gregor Santor ("**Santor**"), Sonja Santor a.k.a. Sonja Nistelberger ("**Sonja**"), 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., Erbschaft Capital Corp., Stream.TV (Cayman) Ltd., and Stark Industries Limited (collectively, the "**Mareva Defendants**"). The Mareva and Norwich Order was granted in Court File No. CV-24-00731806-00CL (the "**Fraud Recovery Action**") commenced by the Receiver on behalf of PMI and PMIF against the Mareva Defendants and others, alleging a "**Fraudulent Scheme**" (as defined in the Statement of Claim filed in those proceedings). A copy of the Mareva and Norwich Order is attached as Appendix "**B**".

3. Pursuant to an application made by the Receiver on behalf of PMI and PMIF, the Cayman Islands Grand Court (the "**Cayman Court**") issued an injunction on December 6, 2024 prohibiting the disposal of assets in the Cayman Islands (the "**Cayman Injunction Order**") as against Santor, Sonja, Productivity Media Productions (Cayman) Ltd., Erbschaft Capital Corp., Stream.TV (Cayman) Ltd. and Stark Industries Limited (collectively, the "**Cayman Defendants**"), representing the subset of the Mareva Defendants located in the Cayman Islands. A copy of the Cayman Injunction Order is attached as Appendix "**C**".

4. A Coroner's Interim Certificate of the Fact of Death issued in the Cayman Islands on January 10, 2025 confirmed that Santor passed away on December 28, 2024 in Grand Cayman.

5. Pursuant to a motion made by the Receiver on behalf of PMI and PMIF, and with the consent of the Mareva Defendants, the Ontario Court issued an order (the "**Mareva Continuation Order**") on March 24, 2025, continuing the Mareva injunction until trial and permitting the addition, removal, access, or transfer of various assets otherwise frozen by the Mareva and Norwich Order, including, *inter alia*, for the payment of Sonja's living expenses and legal costs owing to counsel for the Mareva Defendants, Fogler Rubinoff LLP ("**Fogler**"). A copy of the Mareva Continuation Order is attached as Appendix "**D**".

6. Pursuant to a motion made by the Receiver, the Ontario Court issued an Amended and Restated Receivership Order (the "**ARRO**") on April 16, 2025 extending KSV's appointment as Receiver over the assets, property, and undertaking of 8397830 Canada Inc. ("**839 Canada**", and together with PMI, PMIF, and PMLC, the "**Debtors**"). A copy of the ARRO is attached as Appendix "**E**".

7. Pursuant to a motion made by the Receiver on behalf of PMI and PMIF, the Ontario Court issued an order (the "**Estate Continuation Order**") on May 20, 2025 continuing the Fraud Recovery Action against Santor's estate, of which Sonja has been appointed Executrix. A copy of the Estate Continuation Order is attached as Appendix "**F**".

8. PMIF's assets include its portfolio of: (i) film and television production financing loans (the "**Production Loans**"); and (ii) loans to global sales agents and distribution companies to enable them to provide minimum guarantees to production companies for future distribution income generated by media productions (the "**MG Loans**" and together with Production Loans, the "**Loans**"). PMIF's audited financial statements for the year ended December 31, 2023 (issued on June 19, 2024) reflect that the book value of the Loans as at December 31, 2023 was approximately $286 million (the "**Loan Book Value**"). PMIF sourced substantially all its capital from investors, including various labour-sponsored pension funds.

9. Santor appears to have been the person at the center of the "Fraudulent Scheme" detailed in the Fraud Recovery Action. The Fraudulent Scheme could result in losses approximating the Loan Book Value. While it appears that Santor has dissipated a significant portion of the funds misappropriated through the Fraudulent Scheme—both through an extravagant lifestyle and by investing in speculative business ventures—the Mareva Defendants continue to hold substantial assets in Canada, the United States, the Cayman Islands, and potentially other jurisdictions that can be liquidated for the benefit of affected stakeholders. The Receiver is also in the process

of advancing claims against various additional parties to recover funds for the benefit of affected stakeholders.

10. As of the date of this report (the "**Third Report**"), the Receiver and Sonja, through their respective counsel, have reached a settlement, as discussed in further detail below.

11. The Receiver and its litigation counsel, DLA Piper (Canada) LLP ("**DLA**") and Paliare Roland Rosenberg Rothstein LLP, are otherwise continuing their investigations and advancing various claims on behalf of the Defendants.

1.1 Purposes of this Report

1. The purposes of this Third Report are to:

   a) provide background information about the Debtors and these receivership proceedings (the "**Receivership**");

   b) provide the Receiver's rationale for entering into the Settlement Agreement (defined below); and

   c) recommend that the Court issue an order:

      i. approving the Settlement Agreement with Sonja;

      ii. releasing Sonja, in her personal capacity, of and from all claims of PMI, PMIF, PMLC, 839 Canada, the Receiver, and all investors in PMIF, conditional on compliance by Sonja with the terms of the Settlement Agreement;

      iii. directing that Sonja and Fogler receive any further proceeds of the Studio City Property free and clear of any competing claims, including those of Alan Plaunt and 1401713 Alberta Ltd. in Court File No. CV-23-00696306-000 (the **"Plaunt Action**"); and

      iv. amending section 3(i) of the ARRO to authorize the Receiver to pay the reasonable fees and disbursements of Fogler in the same manner as those of DLA, PricewaterhouseCoopers LLP ("**PwC**"), and Taylor Oballa Murray Leyland LLP ("**TOML**"), to a maximum of US$150,000, unless otherwise agreed by the Receiver.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) the Debtors' audited financial statements and unaudited financial information; (ii) discussions with the Debtors' employees; (iii) information provided by the Debtors and DLA; (iv) discussions with various stakeholders in these proceedings (including their legal representatives); (v) the receivership application materials; and (v) the Mareva application materials, including the affidavit of PWC sworn by Krista Mooney on November 20, 2024 (the "**PwC Affidavit**", and together with the above, the "**Information**").

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence.

3. Additional background information regarding the Debtors and the reasons for the appointment of the Receiver are provided in the receivership application materials of Two Shores and the affidavit of Andrew Chang-Sang ("**Chang-Sang**"), the Debtors' former Chief Financial Officer, sworn November 6, 2024. Copies of the Court materials filed to-date in these proceedings are available on the Receiver's website: https://www.ksvadvisory.com/experience/case/productivity-media (the "**Case Website**").

1.3 Currency

1. Unless otherwise noted, all currency references in this Third Report are in Canadian dollars.

2.0 Background

1. PMI is the parent corporation of PMLC and the general partner of PMIF, a limited partnership. Prior to the Filing Date, PMIF's business and operations were managed by PMI pursuant to a limited partnership agreement.

2. As noted above, PMIF's principal assets are the Loans. PMI's audited financial statements dated June 19, 2024 reflected that the Loan Book Value was approximately $286 million as of December 31, 2023.

3. PMI and PMIF were co-founded by Santor, Chang-Sang and John Hills ("**Hills**"). Santor owns 50% of the voting shares of PMI and Chang-Sang and Hills each own 25% of the voting shares of PMI.

4. PMIF's stated objective was to generate returns for its unitholders (the "**LP Units**", and the holders of such LP Units, the "**LP Investors**") through the financing of independent film and television projects in Canada, the United States, the UK, France, Germany, Malta, Australia, New Zealand, the Cayman Islands, and other jurisdictions (the "**Media Projects**").

5. PMIF raised capital by issuing LP Units to third party investors, primarily through two exempt market dealers, Westfield Partners Ltd. ("**Westfield**"), whose investor clients hold approximately 60.8% of the LP Units, and Qwest Investment Fund Management Ltd., which holds approximately 32.6% of the LP Units on behalf of its investor clients. The remaining 6.6% of LP Units are believed to be held by seven individual investor entities.[1] The Receiver understands that most of the LP Investors are pension funds.

[1] The remaining 6.6% of the LP Units are held by: Access Private Income LP (3.49%); Stewardship Alternative Income Fund (2.27%); Kensington Hedge Fund I (0.87%); Luigi and Nadia Ruffolo (0.02%); Ivy Krause-MacDonald (0.02%); PMI (0.01%); and Sonja (0.01%).

6. Santor was PMI's chief executive officer until he was placed on a temporary leave of absence on August 26, 2024 after PMI was advised by Westfield that it received a letter from an anonymous source claiming that Santor had, among other things, caused PMIF to make approximately $100 million of fraudulent loans (the "**Whistleblower Letter**").

7. The Whistleblower Letter, among other things, included allegations that Santor designed, orchestrated, implemented, and benefitted from the Fraudulent Scheme.

8. Following the Whistleblower Letter, DLA was retained by the Debtors as their investigative counsel, and DLA retained PwC to conduct a financial investigation into transactions referenced in the Whistleblower Letter. The PwC Affidavit details the Fraudulent Scheme and was the main evidence upon which the Receiver relied in respect of its application for the Mareva and Norwich Order.

9. To the Receiver's knowledge, as of the date of the Receivership Order, Two Shores was the Debtors' only secured creditor pursuant to a loan agreement dated July 25, 2024 (the "**Loan Agreement**") among Two Shores, as the lender, PMIF, as the borrower, and each of PMI and PMLC as guarantors. Pursuant to an Assignment of Indebtedness and Security completed on March 11, 2025, Two Shores' debt and security was assigned to Westfield Partners Ltd., in Trust.

10. As detailed in Two Shores' receivership application materials, the Debtors committed defaults under the Loan Agreement due to, among other reasons, their failure to repay the indebtedness owing under the Loan Agreement when due.

3.0 Sonja's Cooperation with the Receiver

1. To date, the Receiver has not identified any information that indicates that Sonja had any role in the Fraudulent Scheme.

2. With the assistance of her counsel, Sonja has been cooperative in assisting the Receiver with multiple issues, leading to greater efficiency and lower costs in liquidating the assets of the Mareva Defendants and addressing other issues arising in the Receivership. Sonja's cooperation has included:

    a. assisting the Receiver with identifying, and providing information and records regarding the assets of the various Mareva Defendants, including the VDM Property discussed below;

    b. assisting with the maintenance, storage, and sale of various assets, particularly given her location in the Cayman Islands, where most of the Mareva Defendants' assets are located;

    c. as the Executrix of Santor's estate, dealing with various issues arising out of Santor's passing; and

    d. by agreeing to assume the role as director of the various corporate Mareva Defendants previously controlled by Santor, providing directions to banks and other third parties without the need for further orders of the Ontario Court or Cayman Court.

3. Without this past and future cooperation, the Receiver would been, and will be, faced with numerous additional impediments and delays. Further, significantly greater professional fees would need to be incurred to investigate, identify, maintain, and liquidate the assets of the Mareva Defendants.

3.1 The Settlement Agreement

1. Pursuant to paragraph 3 of the ARRO, the Receiver is empowered and authorized to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors. The Receiver also has authority to settle, extend or compromise any indebtedness owing to the Debtors.

2. To secure Sonja's ongoing cooperation, reduce costs and delay, avoid unnecessary litigation, and maximize net recoveries, the Receiver, with the assistance of counsel, has engaged in extensive settlement negotiations with Sonja and her legal counsel.

3. On or about June 16, 2025, the Receiver and Sonja entered into a Settlement Agreement. This settlement is contingent upon Sonja's continuing cooperation with the Receiver's efforts to identify, locate, and liquidate the assets of the Mareva Defendants. A copy of the Settlement Agreement is attached as Appendix "**G**".

4. The Settlement Agreement requires the parties to make reasonable commercial efforts to sell and liquidate the assets of the Mareva Defendants during the duration of the Settlement Agreement, with the joint goal of maximizing the value of the realizations. As detailed below, the payments to Sonja under the Settlement Agreement have been structured in a manner to incentivize her ongoing cooperation.

5. As Santor's spouse and the Executrix of his estate, Sonja is uniquely positioned to assist the Receiver with its ongoing efforts to identify and locate the assets of the Mareva Defendants. Sonja is also able to assist the Receiver with selling and liquidating personal property held in her own name or in Santor's estate with minimal administrative hassle.

6. Further, since Santor's death, Sonja has been made an officer and director of the various corporate Mareva Defendants. This provides the Receiver with significant efficiency in dealing with the records, accounts, and other assets of those corporate entities.

7. As detailed below, the Receiver is of the view that the Settlement Agreement is in the best interests of the Debtors and reflects a reasonable compromise in exchange for the cost and time savings that accompany Sonja's ongoing cooperation with the Receiver's efforts to maximize recoveries for affected stakeholders, including most notably the investors in PMFI.

3.2 Tracing and Litigation Savings

1. The Receiver's investigations to date have identified various assets belonging to the Mareva Defendants that are disparate in nature and located in multiple jurisdictions. A complete tracing of the assets of the Mareva Defendants would be exceedingly time-consuming and costly, and therefore impracticable. A settlement with Sonja avoids the need for this tracing, as well as potentially costly and time-consuming litigation over entitlement to assets. This is particularly a concern for the Receiver given the limited liquidity in the receivership at this time, and which was the subject matter of the Receiver's second report to Court, which is attached as Appendix "**H**", without appendices.

2. For example, the most valuable known asset currently in control of the Mareva Defendants is the 9,400 sq. ft. luxury property located at West Bay Beach North Block 10A Parcel 150, Vista Del Mar, Cayman Islands (the "**VDM Property**"). As of September 27, 2023, the property had an appraised value of US$8,421,000. As of the time the Cayman Injunction Order was obtained, the VDM Property had no mortgages or other encumbrances registered against it. The registered owners of the VDM Property were Santor and Sonja, as joint tenants. By right of survivorship, upon Santor's death, Sonja became the sole legal owner of the VDM Property.

3. While the Receiver has asserted that (a) proceeds of the Fraudulent Scheme were used to purchase and build the VDM Property (b) the property is held in constructive trust for PMIF and (c) Sonja has been unjustly enriched, these claims have yet to be proven in court. Doing so would require a detailed further tracing exercise using bank statements and other records from both Canada and the Cayman Islands that were not available at the time of PwC's pre-litigation forensic investigation.

4. DLA has advised the Receiver that it is likely that if a traditional litigation approach were pursued in the Fraud Recovery Action, Sonja would be entitled to a hearing on the merits, including the hearing of *viva voce* evidence on at least the issue of the extent of her knowledge of the Fraudulent Scheme (see *Solarblue LLC v. Aus*, 2014 ONSC 3482). While the Receiver believes the Court would ultimately find in favour of PMFI, this litigation would lead to considerable costs and delay, all while Sonja would continue to receive the weekly Living Expense Amount discussed in Section 3.3 below.

5. By contrast, under the Settlement Agreement, no further tracing of funds or litigation over the VDM Property or other Mareva Defendant assets will be required, the Weekly Living Expenses will cease as of May 31, 2025, and the vast majority of the net proceeds from the sale of the VDM Property will be paid to the Receiver for the benefit of PMFI's investors and other affected stakeholders.

6. Given the value of the VDM Property, the Receiver intends to seek approval by the Ontario Court of any transaction for the VDM Property in a hearing brought on notice to the same parties served with notice of the current motions.

3.3 Living Expense Savings

1. Under the Mareva Continuation Order, Sonja is entitled to living expenses of US$6,025.36 per week, or US$313,318.72 per year (the "**Living Expense Amount**"). Without a settlement agreement or further order of the Court, Sonja would be entitled to continue drawing the Living Expense Amount from assets frozen by the Mareva injunction until trial.

2. The Settlement Agreement brings this to an end as of May 31, 2025. Any amounts payable to Sonja after that date from the sale of assets other than the VDM Property will form part of the Second Payment defined below. As set out in the schedule attached as Appendix "**I**," as of May 31, 2025, all Living Expense Amounts have been paid to Sonja in full.

3.4 Settlement Payments to Sonja

1. The Settlement Agreement contemplates that, subject to Sonja's continuing cooperation with the Receiver, the Receiver shall pay Sonja up to US$1,750,000, as follows:

    a. Upon closing of a sale of the VDM Property by the Ontario Court, Sonja will receive US$1,000,000 (the "**First Payment**") from—and the Receiver will receive the balance of—the net proceeds of the sale of the VDM Property. As noted above, with an appraised value from September 27, 2023 of US$8,421,000, the VDM Property is the most significant of the Mareva Defendants' known assets;

    b. Sonja will receive US$500,000 (collectively referred to in the Settlement Agreement as the "**Second Payment**") in accordance with the quarterly and annual payment formulas set out in subparagraph 2(e) of the Settlement Agreement, by being paid a set percentage of the net recoveries (the "**Recoveries**") from realizations of various assets or claims of the Mareva Defendants, including:

        i. the proceeds of the sale of the two-bedroom condominium property under construction at West Bay Beach South, Block 5C, Parcel 77, Cayman Islands (50% to Sonja, 50% to the Receiver)[2];

        ii. 839 Canada's anticipated claim against Reverend William Dost in respect of certain cash held by him (50% to Sonja, 50% to the Receiver);

        iii. the remaining proceeds, if any, from the three-bedroom condominium property located at 203, 12045 Guerin Street, Studio City, California, USA (the "**Studio City Property**"), together with the recovery of (and not limited to) the IRS non-resident tax withholdings in the approximate amount of US$202,000 and the California Tax Board non-resident tax withholdings in the approximate amount of US$34,000 (100% to Sonja, discussed in further detail below);

[2] The Receiver is working to complete a transaction for this property.

iv. the proceeds of the sale of various automobiles, wine, jewelry, watches, purses, artwork, rare books, Sea-Doos, and a golf cart owned by Santor and/or Sonja (50% to Sonja, 50% to the Receiver);

v. recoveries from Reverend William Dost respecting loans made to him by Santor or 839 Canada (10% to Sonja, 90% to the Receiver); and

vi. proceeds of any other Mareva Defendant asset not already specified or excluded below (10% to Sonja, 90% to the Receiver).

c. Sonja could possibly receive an additional US$250,000 (the "**Bonus Payment**"), but only if she continues to fully cooperate with the Receiver and the gross amounts recovered in the receivership exceed US$20,250,000.

3.5 Excluded Recoveries

1. Sonja shall not receive any of the proceeds from the following categories of realizations, 100% of which shall go to the Receiver:

a) realizations from media assets (largely the Loans) and tax credit assets of PMI and the PMIF;

b) realizations from any claims of the Receiver not specified in the Settlement Agreement, including but not limited to the net proceeds of realizations from claims or anticipated claims by the Receiver against Chang-Sang, Hills, MNP LLP and APEX Fund Services (Canada) Ltd; and

c) realizations from any assets not specified above that are owned directly or indirectly by 839 Canada.

3.6 The Purchase of the Studio City Property

1. The Studio City Property was purchased by Santor and Sonja, as joint tenants, on January 3, 2018. They paid for the property in two instalments:

a) an initial deposit of US$34,500 on November 21, 2017; and

b) a final payment of US$1,096,144.10 on January 2, 2018.

2. As part of the PwC investigation that was conducted prior to the commencement of the Fraud Recovery Action, it was determined that between March 30, 2016 and December 22, 2017, Santor and the other parties to the Fraudulent Scheme misappropriated at least $21,410,000 from PMFI.

3. As detailed in the Affidavit of Krista Mooney, affirmed November 20, 2024 and filed in the Fraud Recovery Action, the $21,410,000 in fraudulent loans was wired from PMFI to bank accounts held by 839 Canada and Concourse Media Inc., all of which were controlled by Santor.

4. Based on instructions that Santor emailed to the National Bank of Canada ("**NBC**") and transaction documents saved in Santor's PMI email account, the Receiver has confirmed that the funds used for the deposit of US$34,500 on November 21, 2017 and the final payment of US$1,096,144.10 on January 2, 2018 came from the account of 839 Canada at NBC.

3.7 The Mortgaging and Sale of the Studio City Property

1. On July 30, 2024, around when it is believed that Santor learned that the Fraudulent Scheme was in the process of being uncovered, Santor caused the Studio City Property to be mortgaged for US$975,000.

2. On November 25, 2024—exactly one week prior to the Mareva and Norwich Order—the Studio City Property was sold to a third party for US$1,500,000.

3. As noted above, the United States Internal Revenue Service imposed non-resident tax withholdings in the approximate amount of US$202,000 and the California Tax Board imposed non-resident tax withholdings in the approximate amount of US$34,000. These amounts still have not been released by either government agency.

4. The net proceeds of the sale of the Studio City Property after paying the mortgage, taxes, closing costs, and deducting the above-noted withholding costs, were US$142,219.60. As ordered by Justice Black on December 12, 2024, which is attached as Appendix "**J**", and Justice Cavanagh on December 19, 2024, which is attached as Appendix "**K**", this amount was paid to Fogler, in trust. The Court ordered that these funds could be used by the Mareva Defendants only for the purpose of paying legal fees, expert fees, disbursements, and taxes.

5. Other than the US$202,000 withheld by the IRS and the US$34,000 withheld by the California Tax Board, it is not anticipated there will be any further proceeds from the sale of the Studio City Property.

3.8 Alan Plaunt's Recently Asserted Claim to the Studio City Property Proceeds

1. On April 14, 2023, Alan Plaunt and a corporation that he controlled (collectively "**Plaunt**") commenced the above-noted Plaunt Action. The defendants named in the Plaunt Action included several Mareva Defendants, namely Santor, Prosapia Wealth Management Ltd., Prosapia Capital Management Corp., Prosapia Property Management Inc., and Prosapia Holdings Inc.

2. Other defendants named in the Plaunt Action included PMI, Prosapia Consulting Inc., Productivity Media Capital Inc. Productivity Media Management Inc., Productivity Media UK Limited, Productivity Media Pictures Inc., Productivity Media (Malta) Ltd., Productivity Media Sicav PLC, Tristar Film Finance Corp., Media House Capital (Canada) Corp., and Aaron Gilbert, along with the placeholder defendants John Doe Corporation, John Doe Partnership, and John Doe.

3. As set out in the Statement of Claim attached as Appendix "**L**", the Plaunt Action is based on various loans that Santor purportedly induced Plaunt to make in or around 2009 and 2010.

4. On December 22, 2023, Plaunt filed a motion seeking a preservation order. A copy of the Motion Record is attached as Appendix "**M**". The motion made no mention of the Studio City Property. The motion was scheduled to be heard on May 27, 2025, but did not proceed because on May 20, 2025, counsel for Plaunt, Claudio Aiello, emailed the Court, noting that "Mr. Santor has recently died and a Receivership Order […] has stayed this litigation for the time being.".

5. On January 22, 2025, DLA served Mr. Aiello and counsel for the other parties in the Plaunt Action with a Notice of Change of Lawyer. It advised that DLA would be taking over as counsel for PMI. The service letter to Mr. Aiello indicated that Bobby Kofman and Murtaza Tallat of KSV Restructuring Inc. were being copied on the correspondence.

6. On May 17, 2025, Mr. Aiello, wrote to counsel for the defendants in the Plaunt Action, including to DLA as counsel for PMI, asserting—for the first time—that Plaunt had a prior interest in the proceeds of the Studio City Property, presumably based in constructive trust. A copy of Mr. Aiello's email [redacted for settlement privilege] is attached as Appendix "**N**".

7. In his email, Mr. Aiello asserted that the Studio City Property was likely purchased using part of $2.85 million that Santor received in or around October 2017 from settling litigation with Media House Capital (Canada) Corp. ("**Media House"**) that involved the money invested by Plaunt in or around 2010 (the "**Media House Settlement"**).

8. In his letter, Mr. Aiello mistakenly asserted that the purchase of the Studio City Property "seems to predate all [Santor's] activities that the substantive subject of the Receivership and related proceedings." As noted above, by the time the Studio City Property was purchased on January 3, 2018, Santor had already misappropriated at least $21,410,000 from PMIF, much of which was directed to 839 Canada, the very entity that wired the seller the funds used to purchase the Studio City Property.

9. While, as noted above, the Receiver has access to email attachments showing the purchase money for the Studio City Property came from 839 Canada, as a result of NBC's seven-year document retention policy, the bank statements provided by NBC pursuant to the December 2, 2024 Mareva and Norwich Order only date back to December 1, 2017. Thus, despite the strong inferences that can be drawn, this creates impediments for the Receiver to fully trace the source of the funds Santor used to purchase the Studio City Property.

10. Given the seven-year document retention policy of NBC and the lack of any bank records or other tracing evidence included with Plaunt's motion record or Mr. Aiello's May 17, 2025 email, it appears that Plaunt will face significant difficulties in establishing the alleged tracing of his 2009 and 2010 loans into the purchase of the Studio City Property in 2018.

3.9 Plaunt's Claim is Statute-Barred

1. More fundamentally, regardless of whether Santor purchased the Studio City Property in January 2018 using cash from the Fraudulent Scheme or the Media House Settlement, any such claim by Plaunt is barred under the *Limitations Act*, *2002*, SO 2002, c 24, Sched B. This time limitation was expressly pleaded by the defendants to the Plaunt Action.

2. In the Plaunt Action, Plaunt asserts that Santor had represented to him that Santor had commenced litigation in or around 2011 for the purposes of recovering the funds owing to Santor and Plaunt by Media House and others. Further, Plaunt alleges that "[f]rom time to time, and as recently as December 2022, Santor assured Plaunt that the said litigation was proceeding albeit slowly" and "would assure Plaunt that the matter was under control and that the litigation would ultimately reach a satisfactory conclusion".

3. As set out in the emails enclosed with the June 9, 2025 letter of DLA responding to Mr. Aiello, which are attached as part of Appendix "**O**":

   a) On November 11, 2018, over a year after the Media House Settlement, Plaunt emailed Santor, asking, "How is the legal action going?" Santor replied that same day, "Waiting for a court date right now. We didn't get the summary proceedings as we had hoped so in cue [*sic*]."

   b) On May 28, 2019, Plaunt wrote to Santor and a business associate of his, Bill Dost. Plaunt wrote, "I went over my portfolio, structure and tax implications. Between you [Dost and Santor], I have loan >$8M for a VERY long time on 'safe and fast-ish' ventures of which I've seen $0 return." He wrote specifically to Santor, "We need to talk about getting my money, which you got tied up in your legal battle, away from the mess and deployed somewhere else where there is some light at the end of the tunnel."

   c) On January 23, 2020, Plaunt emailed Santor, "How is the legal action going? When am I going to see my $ from Prosapia, etc?" Santor did not respond.

   d) On April 14, 2020, Plaunt emailed Santor again, "Time to get updated with various things. […] How is the legal action with Media House going?" Once again, Santor did not respond.

   e) On October 1, 2020, Plaunt emailed Santor on the same email chain: "<u>My emails to you have seemed to go into a black void.</u> […] Please respond to make sure you are getting this." Santor still did not respond.

   f) On December 12, 2020, Plaunt emailed Santor again, "I will need to address the Media House legal action. <u>Looks like this will need some legal action on my part to help the process along…</u>? It has been some time (more than a year?) since you have responded to any of my correspondence. Please respond as soon as possible." Yet again, Santor did not respond.

4. It is the Receiver's view that in the foregoing circumstances, Plaunt ought to have consulted a lawyer to learn what could be done to ascertain the status of Santor's legal action.

5. Had Plaunt or his counsel performed a court search, Plaunt would have discovered that, contrary to Santor's misrepresentation on November 11, 2018, the action against Media House had been dismissed in 2017.

6. Plaunt's claim against Santor was or ought to have been discovered by at least the Spring of 2020, if not years before. Despite Plaunt's emails to Santor seeming "to go into a black void," he apparently took no steps to investigate the status of the Media House litigation. Plaunt's Notice of Action was not issued until March 15, 2023. Any claim he is now seeking to assert against the Studio City Property proceeds, whether in constructive trust or otherwise, is statute-barred.

7. Plaunt's only recently asserted and untenable claim against the Studio City Property proceeds should not be allowed to prevent the Settlement Agreement between the Receiver and Sonja from proceeding. This would unjustly prejudice recoveries and increase costs for PMIF's investors and other stakeholders with non-statute-barred claims.

3.10 Proposed Releases

1. As detailed in paragraphs 14-16 of the Settlement Agreement, to provide finality and certainty, the parties have contemplated various releases of liability being provided and their approval sought from the Court. This includes an order pursuant to which:

   a) Sonja releases the Receiver, PMI, and PMIF from any claims or liability arising from or related to the Fraud Recovery Action; and

   b) PMI, PMIF, PMIF's investors, 839 Canada, and the Receiver release Sonja from any claims or liability, arising from or related to the Fraud Recovery Action.

2. As set out in paragraphs 7-10, 14 and 17(b) of the Settlement Agreement, the releases of Ms. Santor are conditional upon her full and continuing cooperation with the Receiver and would be rendered void by any deliberate and material misrepresentation or event of default under the Settlement Agreement.

3. The Receiver recommends these releases be approved and ordered by the Court. They provide certainty and finality for the parties that will facilitate recoveries for stakeholders, including the sale of the VMD Property. By agreeing that the releases of Sonja's liability are conditional upon her ongoing cooperation and would be voided by any deliberate and material misrepresentation, Sonja has further demonstrated her commitment to cooperation.

4. Given the lack of any information indicating that Sonja took any role in the Fraudulent Scheme, and given that the investors will be the primary beneficiaries of the net realizations obtained through the Settlement Agreement, it is fair and reasonable in exchange that the investors be required not to commence or continue any claims against Sonja for anything arising out of the same subject matter.

5. For clarity, no release is being sought or recommended with respect to any Mareva Defendant other than Sonja.

3.11 Legal Costs of Counsel for the Mareva Defendants

1. Fogler has been representing Sonja and the other Mareva Defendants in the Fraud Recovery Action. As counsel for the Mareva Defendants, Fogler has worked extensively with counsel for the Receiver to address various issues arising out of the Fraud Recovery Action and negotiate the Settlement Agreement being presented to the Court for approval.

2. It is anticipated that Fogler will continue to represent Sonja and the other Mareva Defendants in working with counsel for the Receiver to liquidate assets of the Mareva Defendants, advance claims on behalf of the Defendants, and maximize realizations for the benefit of affected stakeholders.

3. The Mareva Continuation Order directed that US$105,000 from the Studio City Property tax withholdings was to be paid in trust to Fogler. This has not yet occurred, and those funds have not yet been paid.

4. In addition, the Settlement Agreement states that the Receiver shall pay the reasonable legal fees and disbursements of Fogler from available cash flow, up to an additional maximum amount of US$150,000, unless the Receiver and Fogler agree to increase this greater amount.

5. As set out in the Settlement Agreement, the Receiver requests and recommends that the Court amend section 3(i) the ARRO to authorize the Receiver to pay the reasonable fees and disbursements of Fogler in the same manner as those of DLA, PwC, and TOML.

3.12 Related Relief in the Fraud Recovery Action

1. In addition to granting an order in the Receivership approving the Settlement Agreement and amending the ARRO to authorize payment of reasonable fees and disbursements to Fogler, the Receiver requests and recommends an order within the Fraud Recovery Action:

   a) discharging the Mareva injunction as against Sonja (except for her interest in the VDM Property, which shall remain subject to the Cayman Order and which shall require further motion to this Court to approve any sale) and 839 Canada only (since 839 Canada is now a Debtor within the Receivership);

   b) directing that the Mareva injunction shall be continued against the remaining Mareva Defendants until the earlier of,

      i. dismissal or discontinuance of the Fraud Recovery Action, or

      ii. the expiry of 60 days following pronouncement of final judgment in the Fraud Recovery Action by the Court;

   c) amending the Fraud Recovery Action to remove Sonja, in her personal capacity, as a Defendant;

   d) directing, *nunc pro tunc*, that Sonja’s entitlement to be paid any Living Expense Amounts was terminated as of May 31, 2025;

   e) requiring Sonja 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; and

f) authorizing the Receiver to dispose of or sell any of the assets of the remaining Mareva Defendants to the Fraud Recovery Action, notwithstanding the Mareva injunction:

5.f.1. upon the mutual written consent the Receiver and Ms. Santor, but only during any time prior to payment to Ms. Santor of the “Second Payment” described in the Settlement Agreement;

5.f.2 Following payment to Mr. 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.

4.0 Conclusion

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

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC. AS RECEIVER AND MANAGER OF PRODUCTIVITY MEDIA INC., PRODUCTIVITY MEDIA INCOME FUND I L.P., PRODUCTIVITY MEDIA LENDING CORP. AND 8397830 CANADA INC. AND NOT IN ITS PERSONAL CAPACITY

Appendix “B”

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00731806-00CL
CV-24-00730869-00CL

DATE: July 15, 2025

NO. ON LIST: 2 & 3

TITLE OF PROCEEDING:

Productivity Media Income Fund I LP By Its General Partner, Productivity Media Inc., By Its Court-Appointed Receiver And Manager, KSV Restructuring
Vs.
The Estate of William Gregory Santor By Its Executrix Sonja Santor, et al

Two Shores Capital Corp
Vs.
Productivity Media Inc., et al

BEFORE: Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant:

Name of Person Appearing	Name of Party	Contact Info
Edmond Lamek, Counsel	Receiver in Court (CV-24-00730869-00CL) Plaintiff in Court (CV-24-00731806-00CL)	Edmond.lamek@dlapiper.com
Jordan R.M. Deering, Counsel		Jordan.deering@dlapiper.com
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For Defendant, Respondent:

Name of Person Appearing	Name of Party	Contact Info
David W. Levangie, Counsel	Mareva Defendants in Court (CV-24-00731806-00CL)	Dlevangie@foglers.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Andrew Hatnay, Counsel	Ellement Funds	ahatnay@kmlaw.ca
Claudio R. Aiello, Counsel	Alan Plaunt and 1401713 Alberta Ltd., the Plaintiffs in Court File No. CV-23-00696306-0000	claudio@aiellolaw.ca
Demetrios Yiokaris	Consortium of Union Sponsored Trust Funds	dyiokaris@kmlaw.ca

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ENDORSEMENT OF JUSTICE J. DIETRICH:

Introduction

[1] KSV Restructuring Inc. (the "**Receiver**"), in its capacity as court appointed receiver 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**") (collectively, the "**Debtors**") in the receivership under Court File No. CV-24 00730869-00CL (the "**Receivership**"), and in its capacity as court-appointed receiver and of PMI, and the Fund and the Plaintiff as defined in the related civil action under Court File No. CV-24-00731806-00CL (the "**Fraud Recovery Action**") seeks two orders.

[2] First, an order is sought in the Receivership approving the Settlement Agreement reached with Sonja Santor ("**Ms. Santor**") and other ancillary relief (the "**Settlement Approval Order**"). Second, an order is sought within the Fraud Recovery Action varying the Mareva injunction originally granted by the Court on December 2, 2025 (the "**Mareva Order**") as contemplated in the Settlement Agreement, including removing Ms. Santor and 839 Canada as Mareva Defendants and dismissing the Fraud Recovery Action against Ms. Santor, in her personal capacity, along with ancillary relief (the "**Mareva Variation Order**").

[3] The relief sought by the Receiver was opposed by Alan Plaunt and 1401713 Alberta Ltd. (collectively, "**Plaunt**"). Plaunt commenced an action in 2023 with court file CV-23-0069306-0000 (the "**Plaunt Action**") seeking, among other things, tracing and accounting of certain funds invested by Plaunt. Part of that action, as it is proposed to be amended, seeks a constructive trust over the proceeds of an earlier settlement by Mr. Santor which resulted in settlement proceeds of $2.85 million and a series of secured and unsecured loans and certain royalty payments (the "**Media House Settlement Proceeds**").

[4] With respect to the order requested in the Receivership, Plaunt takes the position that the Settlement Agreement effectively puts an end to its claim for a constructive trust over the Media House Settlement Proceeds as it transfers several assets to which a constructive is claimed by Plaunt to Ms. Santor. The Receiver takes the position that the Plaunt Action is statute barred for limitation reasons and doomed to fail from a tracing perspective.

[5] With respect to the order requested in the Fraud Recovery Action, Plaunt seeks additional relief to ensure that all currently captured documents and records related to the mediation House Settlement Proceeds from 2017 onward be preserved pending trial of that issue.

[6] During the hearing, discussions ensued regarding language of the requested order to ensure that Plaunt's constructive trust claim to the Media House Settlement Proceeds was preserved and that the Receiver would not make a distribution to creditors (other than secured creditors or under the Receiver's Borrowing Charge) until that claim was determined. On the basis of the revised agreed language, Plaunt withdrew its opposition to the relief requested by the Receiver.

[7] No other party opposed the relief requested by the Receiver.

[8] Terms not otherwise defined in this endorsement have the meaning provided to them in the factum of the Receiver filed on this motion.

Background

<u>The Receivership and the Fraud Recovery Action</u>

[9] The Debtors were in the business of providing senior secured debt financing for independent film and television productions in Canada, the United States, the United Kingdom, the Cayman Islands and other locations around the world.

[10] PMIF's business model principally consisted of: (i) film and television production financing (the "**Production Loans**"); and (ii) loans to global sales agents and distribution companies to enable them to provide minimum guarantees to production companies for future distribution income generated by media productions being distributed by the sales agent ("**MG Loans**"). The Debtors raised approximately CAD $223 million from investors to fund Production Loans and MG Loans as of July 2024.

[11] In August of 2024, the Debtors received an email from one of their largest investor representatives, Westfield Partners Ltd. ("**Westfield**"), that included information in an email from an anonymous whistleblower who alleged that, among other things, PMIF's portfolio may include over USD$100 million in loans in respect of fraudulent movie productions, legitimate productions in PMIF's portfolio were significantly overvalued, Mr. Santor, the Chief Executive Officer and 50% shareholder of PMI, had been diverting the limited receipts from productions by instructing distributors to send funds to an account that he controlled and that PMIF had only been able to pass a recent audit by using email addresses with similar names to real production and distribution companies, creating close to but not exact email addresses and using forged signatures on audit confirmations.

[12] Following an investigations of these allegations, Two Shores Capital Corp. ("**Two Shores**"), a secured lender to the Debtors, sought the appointment of a receiver over the Debtors, which was unopposed by the Debtors. On November 19, 2024, the Receivership Order was granted and KSV was appointed as Receiver of the Debtors pursuant to s. 243(1) of the BIA and s. 101 of the CJA.

[13] On December 2, 2024, the Court issued the Mareva Order in respect of William Gregor Santor ("**Santor"** or "**Mr. Santor**"), Ms. 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., Erbschaft Capital Corp., Stream. TV (Cayman) Ltd., and Stark Industries Limited (collectively, the "**Mareva Defendants"**). The Mareva Order was granted in the Fraud Recovery Action.

[14] The Cayman Islands Grand Court issued an injunction on December 6, 2024 prohibiting the disposal of assets in the Cayman Islands (the “**Cayman Injunction Order**”) as against Santor, Ms. Santor, Productivity Media Productions (Cayman) Ltd ., Erbschaft Capital Corp ., Stream. TV (Cayman) Ltd. and Stark Industries Limited (collectively, the “**Cayman Defendants**”), representing the subset of the Mareva Defendants located in the Cayman Islands.

[15] Mr. Santor passed away on December 28, 2024 in Grand Cayman.

[16] On March 24, 2025, an order was made (the “**Maerva Continuation Order**”) continuing the Mareva injunction until trial and permitting the addition, removal, access, or transfer of various assets otherwise frozen by the Mareva and Norwich Order, including, inter alia, for the payment of Sonja's living expenses and legal costs owing to counsel for the Mareva Defendants, Fogler Rubinoff LLP (“**Fogler**”).

[17] On April 16, 2025, an Amended and Restated Receivership Order (the "**ARRO**") was granted extending KSV's appointment as Receiver over the assets, property, and undertaking of 839 Canada.

[18] On May 20, 2025, an order was made continuing the Fraud Recovery Action against Mr. Santor's estate, of which Ms. Santor has been appointed Executrix.

<u>The Settlement with Ms. Santor</u>

[19] On June 16, 2025, the Receiver entered into a Settlement Agreement with Ms. Santor conditional on approval of the Court.

[20] Ms. Santor is a defendant in the Fraud Recovery Action both in her personal capacity and as executrix of the estate of Mr. Santor (the “**Santor Estate**”). The Settlement Agreement of which the Receiver seeks approval is only as between the Receiver and Ms. Santor in her personal capacity.

[21] As noted above, Mr. Santor is alleged to have perpetrated a Fraudulent Scheme against the Fund and PMI that involved the misappropriation of at least $44 million. Both the August 26, 2024 whistleblower letter, which ultimately led to the Receivership, and subsequent investigation by the Receiver, point to Mr. Santor having misappropriated $100 million or more.

[22] While it appears that Mr. Santor has dissipated most of the misappropriated funds—both through an extravagant lifestyle and through investments in speculative business ventures—the various Mareva Defendants (including the Santor Estate, Ms. Santor, and the various corporations that Mr. Santor established and which are now controlled by Ms. Santor) hold substantial assets in Canada, the United States, the Cayman Islands, and potentially other jurisdictions that are subject to the Mareva Order (collectively, the Mareva Assets), which the Receiver is seeking to liquidate for the benefit of affected stakeholders.

[23] Despite extensive investigation, to date, the Receiver has identified no information that indicates Ms. Santor took any role in the Fraudulent Scheme that is the subject of the Fraud Recovery Action. Rather, the Receiver notes that Ms. Santor, through counsel, has provided consistent and ongoing cooperation to the Receiver from the time she was first served. Since the parties last appeared before the Court on March 24, 2025, Ms. Santor has continued to cooperate with the Receiver in identifying, maintaining, and liquidating various Mareva Assets and in dealing with issues arising out of the death of Mr. Santor.

[24] The Receiver's view is that Ms. Santor's ongoing involvement will result in significant efficiencies, cost savings, and higher net recoveries, to the benefit of affected stakeholders.

[25] The Settlement Agreement is contingent upon Ms. Santor's continuing cooperation with the Receiver's efforts to identify, locate, and liquidate the assets of the Mareva Defendants. The Settlement Agreement requires the parties to make reasonable commercial efforts to sell and liquidate the assets of the Mareva Defendants during the duration of the Settlement Agreement, with the joint goal of maximizing the value of the realizations.

[26] The Settlement Agreement also provides that the Living Expense Amount for Ms. Santor under the Maerva Continuation Order will be brought to an end as of May 31, 2025. Under that order, Ms. Santor is entitled to a Living Expense Amount of US$6,025.36 per week, or US$313,318.72 per year. Without a settlement agreement or further order of the Court, Ms. Santor would be entitled to continue drawing the Living Expense Amount from assets frozen by the Mareva injunction until trial.

[27] The Settlement Agreement contemplates that, subject to Ms. Santor's continuing cooperation with the Receiver, the Receiver shall pay Ms. Santor up to US$1,750,000. The payments are linked to various recoveries and provide that Ms. Santor is to receiver a portion of the recoveries of various asset realizations.

[28] As well, to provide finality and certainty, the Settlement Agreement contemplates various releases of liability being provided and their approval sought from the Court. This includes an order pursuant to which: Ms. Santor releases the Receiver, PMI, the Fund, the Fund's investors, and 839 Canada from any claims or liability arising from or related to the Fraud Recovery Action; and PMI, the Fund, the Fund's investors, and 839 Canada release Ms. Santor, in her personal capacity, from any claims or liability arising from or related to the Fraud Recovery Action. The releases of Ms. Santor are contingent upon her continued cooperation with the Receiver and would be voided by the discovery of any deliberate and material misrepresentation by Ms. Santor.

Issues

[29] The issues to be decided are whether the Settlement Agreement should be approved and the Mareva Order varied accordingly.

Approval of the Settlement Agreement

[30] As noted recently by Chief Justice Morawetz in *Ontario Securities Commission v. Bridging Finance Inc*., 2025 ONSC 539 [***Bridging Finance***] at para 13, in determining whether to approve a settlement in the context of a receivership, the Court generally considers: a. whether the settlement is fair and reasonable; b. whether the settlement provides substantial benefits to other stakeholders; and c. whether the settlement is consistent with the purpose and spirit of the relevant legislation.

[31] Further, as noted in *Bridging Finance* at para 14, in receiverships, the Court frames the test for settlement approval through the lens of the long-established *Soundair* principles: a. whether the party made a sufficient effort to obtain the best price and has not acted improvidently; b. the interests of all parties; c. the efficacy and integrity of the process by which the party obtained offers; and d. whether the working out of the process was unfair: see *Royal Bank of Canada v. Soundair Corp*., 1991 CanLII 2727.

[32] In the context of considering whether to approve a settlement agreement in a Receivership, after noting the *Soundair* framework is to be employed, in *IWHL Inc., Re*, 2011 ONSC 5672 at para 6, the Court went on to note: "Receivers will be acting providently and making enough effort to get the best price if they carefully consider the available information and use their expertise to determine how to maximize the value of those rights. When the Receiver is considering how to deal with a cause of action, the Receiver can meet its responsibility by settling the matter as long as the proposed compromise is commercially reasonable."

[33] I am satisfied that the *Soundair* principles are met in this case and the Settlement Agreement should be approved.

[34] As Mr. Santor's spouse and the Executrix of his estate, Ms. Santor is uniquely positioned to assist the Receiver with its ongoing efforts to identify and locate the assets of the Mareva Defendants. Ms. Santor is also able to assist the Receiver with selling and liquidating personal property held in her own name or in Mr. Santor's estate with minimal administrative hassle. Further, since Mr. Santor's death, Ms. Santor has been made an officer and director of the various corporate Mareva Defendants. This provides the Receiver with significant efficiency in dealing with the records, accounts, and other assets of those corporate entities. Accordingly, the Receiver's view is that Ms. Santor's ongoing involvement will result in significant efficiencies, cost savings, and higher net recoveries, to the benefit of affected stakeholders.

[35] As well, the Settlement Agreement will avoiding tracing and litigation costs that the Receiver would otherwise be forced to incur, particularly from defences and claims that could be advanced by Ms. Santor as the current legal owner of the certain Mareva Assets, as well as the significant delay that would result from this litigation. It also avoids the ongoing Living Expense Amount to which Ms. Santor would otherwise be entitled and minimizes the time to liquidate and distribute the proceeds of the Mareva Assets.

[36] For context, the most significant known Mareva Asset is a 9,400 sq. ft. luxury home in Vista Del Mar, Grand Cayman, with an appraised value as of September 27, 2023, of US$8,421,000 (the "**VDM Property**"). It was purchased by Mr. Santor and Ms. Santor as joint tenants. By right of survivorship, upon Mr. Santor's death, Ms. Santor became the VDM Property's sole legal owner. No allegations have been advanced by the Receiver that Ms. Santor participated in the Fraudulent Scheme detailed in the Statement of Claim, nor is there any evidence uncovered by the Receiver to date indicating this. Ms. Santor has been named in the Fraud Recovery Action as an "Enriched Defendant," with the claim against her based in knowing receipt, unjust enrichment, and constructive trust. If the Fraud Recovery Action were to proceed against Ms. Santor, she would be entitled to a hearing on the merits, including the hearing of viva voce evidence on at least the issue of the extent of her knowledge of the Fraudulent Scheme. There is cost and risk associated with this litigation, and Ms. Santor would be entitled to receive the Living Expense Amount until trial.

[37] By contrast, the Settlement Agreement brings an immediate end to the Living Expense Amount and avoids possibly protracted litigation with Ms. Santor. The Settlement Agreement also facilitates an expedited and uncontested sale of the Mareva Assets, including the VDM Property, with Ms. Santor's full cooperation onsite in the Cayman Islands. The vast majority of the anticipated proceeds from the sale of the VDM Property will go to the Receiver for the benefit of affected stakeholders.

[38] After weighing these risks and benefits, the Receiver is strongly of the view that the Settlement Agreement is in the best interests of PMI, the Fund, and affected stakeholders. I agree that the Settlement Agreement reflects a fair and reasonable compromise in exchange for the time and cost savings and the certainty that flow from Ms. Santor's ongoing cooperation in maximizing recoveries.

[39] With respect the releases incorporated into the Settlement Agreement, the principles originally set out in *ATB Financial v. Metcalfe & Mansfield Alternative Investments II Corp* 2008 ONCA 587, [***Metcalfe***] leave to appeal refused 2008 CanLII 46997 (SCC) in the context of a plan of compromise or arrangement under the *Companies' Creditors Arrangement Act,* are also instructive in the context of a receivership proceeding. The *Metcalfe* criteria, with necessary modifications, include: a. the parties to be released are necessary and essential to [maximizing recoveries for creditors and investors] of the debtor; b. the claims to be released are rationally related to the purpose of the [Settlement Agreement] and necessary for it; c. the [Settlement Agreement and realizations] cannot succeed without the releases; d. the parties who are to have claims against them released are contributing in a tangible and realistic way to the [Settlement Agreement and realizations]; and e. the [Settlement Agreement] will benefit not only the debtor companies but creditors generally.

[40] I agree that these factors are satisfied in this case. Ms. Santor's cooperation is necessary and essential to maximizing recoveries within the Receivership and avoiding various costs and delays. She will be contributing to those recoveries and cost savings in a tangible and realistic way. The release of potential claims against Ms. Santor—including those of investors in the Fund—are rationally related to and necessary for the Settlement Agreement.

<u>Mareva Variation Order</u>

[41] In addition to the relief related to Ms. Santor and the Settlement Agreement, the proposed Mareva Variation Order recognizes that 839 Canada is now a Debtor in the Receivership, placing its assets under the control of KSV as Receiver.

[42] Given that 839 Canada is now subject to the Receivership, leaving 839 Canada as a Mareva Defendant would needlessly increase procedural costs and impair the Receiver's ability to efficiently deal with its assets.

[43] The parties agree that nothing in the Mareva Variation Order amends the preservation of documents in the Fraud Recovery Action.

[44] Accordingly, the proposed amendments to the Mareva Order are appropriate.

Disposition

[45] The relief requested by the Receiver, with the amendments made during the hearing today is approved. Orders to go in the form signed by me.

July 15, 2025 Justice J. Dietrich

Appendix “C”

National Bank Account 0007620 held in the name of 8397830 Canada Inc.

Green = Deposits over $1,000,000

Red = Account balances below $50,000

Blue = Payment to Wind Sun Sky.

Date	Nature of Transactions	Particulars
December 2017	Deposits over $1M	Dec 8/17 - $1,500,000 deposit Dec 19/17 - $1,082,794.01 deposit
March 2018	Deposits over $1M	Mar 7/18- $2,000,000 deposit
June 2018	Balance below $50,000	Jun 5/18 - $30,272.44 balance
June 2018	Deposits over $1M	Jun 14/18 - $1,399,975 deposit
September 2018	Balance below $50,000	Sep 21/18 - $48,210.55 balance
January 2019	Balance below $50,000	Jan 16/19 - $19,763.52 balance
January 2019	Deposits over $1M	Jan 21/19 - $2,650,000 deposit
February 2019	Deposits over $1M	Feb 14/19 - $1,499,975 deposit Feb 28/19 - $1,000,000 deposit
February 2019	Balance below $50,000	Feb 28/19 - $763.91 balance
March 2019	Balance below $50,000	Mar 28/19 - $462.27 balance
April 2019	Balance below $50,000	Apr 29/19 - $30,671.93 balance
May 2019	Balance below $50,000	May 30/19 - $23,916.92 balance
June 2019	Balance below $50,000	Jun 17/19 - $26,442.78 balance
June 2019	Deposits over $1M	Jun 20/19 – $2,250,000 deposit
August 2019	Balance below $50,000	Aug 26/19 - $6,283.04 balance
September 2019	Balance below $50,000	Sep 24/19 - $34,527.38 balance
October 2019	Balance below $50,000	Oct 10/19 - $33,719.24 balance
November 2019	Balance below $50,000	Nov 8/19 - $47,308.56 balance
November 2019	Deposits over $1M	Nov 12/19 - $3,000,000 deposit
December 2019	Deposits over $1M	Dec 13/19 - $2,000,000 deposit

Date	Nature of Transactions	Particulars
May 2020	Deposits over $1M	May 19/20 - $5,042,450 deposit
June 2020	Balance below $50,000	Jun 18/20 - $44,095.61 balance
July 2020	Balance below $50,000	Jul 16/20 - $42,231.76 balance
July 2020	Deposits over $1M	Jul 16/20 - $4,670,479 deposit
September 2020	Balance below $50,000	Sep 15/20 - $11,615.83 balance
December 2020	Balance below $50,000	Dec 2/20 - $9,685.36 balance
December 2020	Deposits over $1M	Dec 17/20 - $4,649,975 deposit Dec 24/20 - $4,649,975 deposit
February 2021	Deposits over $1M	Feb 3/21 - $2,000,000 deposit Feb 16/21 - $1,000,000 deposit
March 2021	Deposits over $1M	Mar 9/21 - $1,259,838.05 deposit Mar 15/21 - $1,400,000 deposit Mar 18/21 - $4,000,000 deposit Mar 31/21 - $1,918,128.24 deposit
March 2021	Balance below $50,000	Mar 15/21 - $41,995.81 balance
April 2021	Balance below $50,000	Apr 26/21 - $13,619.59 balance
May 2021	Balance below $50,000	May 4/21 - $36,385.41 overdraft balance
July 2021	Balance below $50,000	Jul 20/21 - $62,248.35 overdraft balance
August 2021	Balance below $50,000	Aug 27/21 - $40,206.58 balance
September 2021	Balance below $50,000	Sep 30/21 - $41,105.88 balance
November 2021	Balance below $50,000	Nov 23/21 - $33,179.73 balance
February 2022	Balance below $50,000	Feb 28/22 - $326.93 overdraft balance
March 2022	Balance below $50,000	Mar 22/22 - $87,369.07 overdraft balance
April 2022	Payment to WSS	Apr 18/22 - $1,000,000 initial payment
April 2022	Balance below $50,000	Apr 19/22 - $2,500.65 balance
May 2022	Balance below $50,000	May 27/22 - $15,428.75 balance

Date	Nature of Transactions	Particulars
June 2022	Payment to WSS	Jun 16/22 - $300,000 payment
August 2022	Deposit over $1M	Aug 9/22 - $4,741,800 deposit
August 2022	Balance below $50,000	Aug 22/22 - $17,593.02 balance
September 2022	Balance below $50,000	Sep 20/22 - $129,572.41 overdraft balance
October 2022	Deposit over $1M	Oct 11/22 - $5,518,180 deposit Oct 14/22 - $4,151,304 deposit
November 2022	Balance under $50,000	Nov 9/22 - $93,596.98 overdraft balance
December 2022	Payment to WSS	Dec 5/22 - $300,000 payment
December 2022	Payment to WSS	Dec 5/22 - $210,000 payment
December 2022	Balance under $50,000	Dec 20/22 - $11,348.84 balance
January 2023	Balance under $50,000	Jan 17/23 - $28,207.73 balance
February 2023	Balance under $50,000	Feb 6/22 - $47,565.33 overdraft balance
March 2023	Balance under $50,000	Mar 24/22 - $4,722.47 balance
May 2023	Balance under $50,000	May 5/22 - $29,301.82 balance
May 2023	Payment to WSS	May 24/22 - $250,000 payment
July 2023	Deposit over $1M	Jul 25/22 - $1,000,000 deposit
August 2023	Balance under $50,000	Aug 28/22 - $1,279.96 balance
September 2023	Balance under $50,000	Sep 5/22 - $27,320.99 balance
September 2023	Deposit over $1M	Sep 7/22 - $1,430,000 deposit
September 2023	Payment to WSS	Sep 7/22 - $250,000 payment
October 2023	Deposit over $1M	Oct 20/22 - $1,759,467 deposit
October 2023	Payment to WSS	Oct 24/22 - $250,000 payment

Appendix “D”

NATIONAL BANK
OF CANADA

121 KING ST W
TORONTO M5H 3T9 (416) 864-7591

Account Statement

Period from 2021-05-01 to 2021-05-31
Account no. 00-076-20 Branch no. 07031

8397830 CANADA INC 16062
249 LAKESIDE AVENUE
BURLINGTON ON L7N 1Y4

ACCOUNT: CURRENT ACCOUNT (CDN$)

MM	DD	DESCRIPTION	DEBIT	CREDIT	BALANCE
04	30	PREVIOUS BALANCE			13619.59
05	03	MISCELLANEOUS ACC. AMEX BILL PYMT	50000.00		36380.41 -
05	04	OVERDRAFT CHRG 05/03	5.00		36385.41 -
05	05	I/DEPOSIT 03901		37000.00	614.59
05	06	INTERNET CT TRF 957580000000083		100000.00	100614.59
05	06	WIRE TRF DT 250647000000404	432.22		100182.37
05	06	INTERNET CT TRF 957580000000086		75000.00	175182.37
05	11	MISCELLANEOUS ACC. AMEX BILL PYMT	75000.00		100182.37
05	20	MISCELLANEOUS ACC. AMEX BILL PYMT	50000.00		50182.37
05	21	WIRE TRF DT 250647000000413	1909.96		48272.41
05	21	I/WITHDRAWAL 03901	40518.25		7754.16
05	25	WIRE TRF CT 028671002		562013.64	569767.80
05	25	PAYMENT OF ACCOUNT CPI090000000414	20000.00		549767.80
05	31	OVERDRAFT INTEREST	41.87		549725.93

		NUMBER	TOTAL AMOUNT		NUMBER	TOTAL AMOUNT
TRANSACTIONS	DEBIT	9	237907.30	CREDIT	4	774013.64

NATIONAL BANK OF CANADA

121 KING ST W
TORONTO M5H 3T9 (416) 864-7591

Account Statement

Period from 2021-07-01 to 2021-07-31 Page 1 of 1
Account no. 00-076-20 Branch no. 07031

8397830 CANADA INC 16062
249 LAKESIDE AVENUE
BURLINGTON ON L7N 1Y4

ACCOUNT: CURRENT ACCOUNT (CDN$)

MM	DD	DESCRIPTION	DEBIT	CREDIT	BALANCE
06	30	PREVIOUS BALANCE			228644.62
07	02	WIRE TRF DT 250647000000425	184944.93		43699.69
07	08	MISCELLANEOUS ACC. DARIUS BAKER PR		39300.00	82999.69
07	19	INTERNET DT TRF 957580000000093	51124.80		31874.89
07	20	MISCELLANEOUS ACC. AMEX BILL PYMT	94123.24		62248.35 -
07	21	INTERNET CT TRF 957580000000094		40000.00	22248.35 -
07	21	INTERNET CT TRF 957580000000095		25000.00	2751.65
07	21	OVERDRAFT CHRG 07/20	5.00		2746.65
07	28	WIRE TRF CT 029015088		216130.00	218876.65
07	29	I/WIRE TRF DT 03901	5288.00		213588.65
07	30	INTERNET CT TRF 957580000000096		70000.00	283588.65
07	30	OVERDRAFT INTEREST	35.81		283552.84

		NUMBER	TOTAL AMOUNT		NUMBER	TOTAL AMOUNT
TRANSACTIONS	DEBIT	6	335521.78	CREDIT	5	390430.00