

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)

N°: 500-11-040897-114

ATUQTUARVIK CORPORATION., a duly incorporated legal person under the Canada Business Corporations Act, having a place of business at Oomilik Building, Suite #2, P.O. Box 900, Rankin Inlet, Nunavut, X0C 0G0;

Creditor-Petitioner

and

LES PRODUCTIONS IGLOOLIK ISUMA INC. (also d.b.a: "IGLOOLIK ISUMA PRODUCTIONS INC"), a duly incorporated legal person under the *Canada Business Corporations Act*, having a place of business at 1100, Crémazie East Blvd., Suite 805, Montréal, Province of Québec, H2P 2X2 ;

Debtor-Respondent

and

RSM RICHTER INC., a duly incorporated legal person under the *Canada Business Corporations Act*, having a place of business at 2, Place Alexis Nihon, 21st floor, Montreal, Province of Quebec, H3Z 3C1;

Receiver

**MOTION FOR THE APPOINTMENT OF A RECEIVER TO THE ASSETS
OF THE DEBTOR-RESPONDENT**
(Art. 243 (1) of the Bankruptcy and Insolvency Act)

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, COMMERCIAL DIVISION, SITTING IN AND FOR THE DISTRICT OF MONTREAL OR TO ONE OF THE REGISTRARS OF THIS COURT, CREDITOR-PETITIONER RESPECTFULLY ALLEGES:

INTRODUCTION

1. Creditor-Petitioner Atuqtuarvik Corporation (hereinafter: "**Creditor-Petitioner**"), as secured creditor of the Debtor-Respondent Les Productions Igloolik Isuma Inc. (hereinafter: "**Debtor**"), requests from this Honourable Court to appoint RSM Richter Inc. (Raymond Massi as person responsible of the file) as a receiver to the assets

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Palais Justice MONTREAL
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(hereinafter: the “**Receiver**”) of the Debtor with the powers enumerated in the conclusions hereof;

B. THE PARTIES

2. The Debtor is a legal person constituted under the *Canada Business Corporations Act*, also doing business as Igloodik Isuma Productions Inc., as appears from an extract of the Quebec Enterprise Register (CIDREQ system) communicated in support hereto as **Exhibit P-1**;
3. The Debtor carries on business at 1100, Crémazie East Blvd., Suite 805, Montréal, District of Montreal, Province of Québec, H2P 2X2, as appears from **Exhibit P-1**;
4. Moreover, the greater portion of the property of the Debtor is situated in the District of Montreal, including, without limitation, all of the Debtor’s books, records, and all of its financial and proprietary information;
5. The Debtor specializes in the productions of films and visual material, as the Debtor so describes itself at the Quebec Enterprise Register;
6. More particularly, the Debtor describes its mission as being: “*to produce independent community-based media – films, TV and now Internet – to preserve and enhance Inuit culture and language; to create jobs and economic development in Igloodik and Nunavut; and to tell authentic Inuit stories to Inuit and non-Inuit audiences worldwide*” as appears from a paper extract of Debtor’s own website on May 11, 2011 at “<http://www.isuma.tv/hi/en/isuma-productions/about>” communicated in support hereto as **Exhibit P-2**;
7. Creditor-Petitioner is a lender to the Debtor and secured creditor of the Debtor as per the terms of the following agreements;
8. Creditor-Petitioner is also a shareholder of the Debtor, owning 2 Million class “C” preferred shares;

C. INDEBTEDNESS OF THE DEBTOR TOWARDS CREDITOR-PETITIONER AND SECURITY HELD BY CREDITOR-PETITIONER

i) Loan Agreement

9. Creditor-Petitioner loaned to the Debtor an amount of Five Hundred Thousand (Cdn \$500,000) Dollars in capital (the “**Loan**”), as appears from an executed demand loan agreement dated July 14, 2009 (“**Loan Agreement**”), copy of which is communicated in support hereto as **Exhibit P-3**;
10. The Loan carries interest at the fixed rate per annum of Seven Point Zero percent (7.0%), calculated semi-annually, not in advance;
11. The purpose of the Loan was to provide Debtor with short-term interim financing of general working capital requirements for immediate operating costs, and expressly excluded debt retirement;

12. As per the terms of the Loan Agreement, the Loan was payable by the Debtor upon demand made by the Creditor-Petitioner on ten (10) business day's notice, but no later than March 31, 2010, unless further extended by Creditor-Petitioner at the request of Debtor;

13. In fact, Debtor requested and obtained Loan term renewals until January 1, 2011;

ii) Promissory Note

14. As security for the Loan, a promissory note was also executed between Creditor-Petitioner and Debtor on July 14, 2009 ("**Promissory Note**") whereby the Debtor promises to pay to or to the order of Creditor-Petitioner upon demand made by Creditor-Petitioner on ten (10) business days' written notice to the Debtor, the aggregate principal amount of Five Hundred Thousand (\$500,000) Dollars, or such remaining principal amount as remains unpaid as of the date of demand, together with interest thereon, copy of said Promissory Note is communicated in support hereto as **Exhibit P-4** ;

15. As per the terms of the Promissory Note, the principal amount remaining from time to time unpaid and outstanding shall bear interest both before and after demand at the rate of Seven Point Zero percent (7.0%) per annum, calculated monthly, not in advance;

iii) General Security Agreement

16. In order to further secure the Loan, a general security agreement was executed between Creditor-Petitioner and the Debtor on July 14, 2009 ("**General Security Agreement**") for the payment and performance of all debts, liabilities and obligations of the Debtor towards Creditor-Petitioner, bearing on "*property and assets of the Debtor which are now or hereafter owned by the Debtor, or as may be returned or repossessed by the Debtor, including, without limitation, all Chattel Paper, Documents of Title (whether negotiable or not), Goods, Instruments, Intangibles and Securities and in all personal property referred to in Schedule "A", and in all proceeds and renewals thereof, accessions thereto, and substitutions therefore*", copy of said General Security Agreement and its Schedules are communicated in support hereto as **Exhibit P-5**;

17. The General Security Agreement is registered pursuant to the *Personal Property Security Act* (Nunavut) by registration of a financing statement as #142,877 as appears from copy of said registration communicated in support hereto as **Exhibit P-6**;

18. The General Security Agreement is also registered at the Quebec Register of Personal and Movable Real Rights ("RPMRR") under the inscription number 11-0158437-0001 and amended by inscription number 11-0169405-0001, said inscriptions are communicated in support hereto as **Exhibit P-7, in bundle**;

19. As at May 27, 2011, the total amount of Debtor's indebtedness towards Creditor-Petitioner is \$513,995.47, as further detailed hereunder;

Principal Balance -	\$500,000.00
Outstanding Interest -	\$12,655.11 (as at May 13, 2011)
Interest to May 27, 2011 -	<u>\$1,340.36</u>
Total amount owing -	\$513,995.47 (as at May 27, 2011)

plus interest accrued on the said amount from May 13, 2011 at seven decimal zero percent (7.0%) per annum, compounded monthly, plus Creditor-Petitioner's further reasonable costs and chargeable to the indebtedness, as appears from a statement of account communicated in support hereof as **Exhibit P-8**;

D. OTHER INDEBTEDNESS

20. The Debtor appears to be also indebted towards other secured creditors, being:
- a) The Royal Bank of Canada for an amount up to \$103,500.00 plus interest at the prime rate plus 7.0%, secured by a movable hypothec on various assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as **Exhibit P-9**;
 - b) Alliance Atlantis Broadcasting Inc., for an amount up to \$75,000.00 plus interest at 12% per annum, secured by a movable hypothec on certain assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as **Exhibit P-10**;
 - c) National Bank of Canada for an amount up to \$69,600 including an additional hypothec in the amount of \$11,600, secured by a movable hypothec on all of the Debtor's "*movable property, corporeal and incorporeal, present and future, wherever located*", as appears from a copy of the relevant RPMRR inscription filed in support hereto as **Exhibit P-11**;
 - d) National Bank of Canada, for an amount up to \$162,000 including an additional hypothec in the amount of \$27,000, secured by a movable hypothec on certain assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as **Exhibit P-12**;
 - e) National Bank of Canada, for an amount up to \$306,000 including an additional hypothec in the amount of \$51,000, secured by a movable hypothec on certain assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as **Exhibit P-13**;
 - f) National Bank of Canada, for an amount up to \$150,000 including an additional hypothec in the amount of \$25,000, secured by a movable hypothec on certain assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as **Exhibit P-14**;

E. PRESENT SITUATION AND CREDITOR-PETITIONER'S CONCERNS

21. Loan term renewals until January 1, 2011 were granted by Creditor-Petitioner to the Debtor given that Creditor-Petitioner, as a shareholder of Debtor and aware of Debtor's financial difficulties prior to January 1, 2011, has a real stake in the continued survival of the Debtor;

i) Debtor's Defaults

22. Presently, Debtor is in default towards Creditor-Petitioner as per the terms of the Loan Agreement and the Promissory Note;

23. Mr. Norman Cohn, shareholder, secretary and treasurer of the Debtor advised Creditor-Petitioner that the Debtor has ceased all operations as of January 1, 2011, without the consent of Creditor-Petitioner;

24. Moreover, the Debtor has ceased all monthly payments of Loan interest since February 1, 2011;

25. In fact, the February 1, 2011 monthly loan interest payment of \$2,972.77 was returned by the Debtor's financial institution due to insufficient funds;

ii) Demand for payment and Notice of Intent to Enforce Security

26. On or about February 15, 2011, Creditor-Petitioner sent a letter of demand and notice of acceleration of all principal and aggregate indebtedness to the Debtor, as appears from a copy of such letter communicated in support hereto as **Exhibit P-15**;

27. On or about May 25, 2011, Creditor-Petitioner, by way of its solicitors Dubuc Osland, caused to be served upon Debtor a Notice of Intent to Enforce its Security as per section 244 (1) of the *Bankruptcy and Insolvency Act*, the whole as appears from a copy of said Notice of Intent communicated in support hereto as **Exhibit P-16**;

28. Mr. Norm Cohn has accepted service by e-mail of the Notice of Intent to Enforce Security, as appears from an exchange of e-mails between solicitors for Creditor-Petitioner Dubuc-Osland and Mr. Norm Cohn, copy of which is communicated in support hereto as **Exhibit P-17**;

iii) Other issues

29. Mr. Norman Cohn does continue to communicate with Creditor-Petitioner and has indicated Debtor's willingness to co-operate with Creditor-Petitioner in order to effectuate a voluntary winding-up of the Debtor's activities and assets;

30. The Creditor-Petitioner has therefore, since January 2011, requested that the Debtor provide financial and other record and information disclosures, including copies of bank statements of the Debtor (which bank statements were provided), and has asked follow up questions with a view to the orderly winding up of the Debtor's activities and assets. However, due to financial constraints on the Debtor, or reasons otherwise unknown to the Creditor-Petitioner, the Debtor has been unable or unwilling to provide most of the items or information requested by the Creditor-Petitioner as of the date of this motion;

31. For example, audited financial statements for the year ended December 31, 2010 have not been prepared by the Debtor, and has stated to the Creditor-Petitioner that it will not provide such information to the Creditor-Petitioner because it does not have the financial resources to prepare such information, though required to do so pursuant to the terms of the Creditor-Petitioner's security;
32. Creditor-Petitioner intends to have the Receiver access and take control of the Debtor's assets for the purpose of protecting such assets and assessing their commercial value, and only after authorization from this Honourable Court, wind-up the Debtor's affairs and sell Debtor's intellectual property rights and body of work to a prospective purchaser or purchasers who will have the capacity to archive and safeguard all of the Debtor's intellectual property, as well as all books, videos, data and information derived from Inuit cultural sources that go along with Debtor's body of work;
33. In fact, it is very important that the Debtor's assets be protected, given that much of Debtor's body of work, which includes unpublished archived material, is culturally sensitive to the Inuit people and its history, for example, the video-taping and images of Inuit elders who are now deceased, and on such subjects as Inuit history, mythology and stories;

iv) Urgency

34. Considering the above facts, it is imperative and urgent that a Receiver be appointed to Debtor's assets, for the following reasons:
 - a) As mentioned previously, Debtor has advised Creditor-Petitioner that its operations have ceased and the company is for all intents and purposes closed to the best of Creditor-Petitioner's knowledge and belief;
 - b) Furthermore, Debtor has advised Creditor-Petitioner that experienced office staff were laid off, and that as of January 1, 2011 or before, no one is employed any longer by Debtor, which has no funds to pay any salaries, office or overhead expenses, including annual insurance and heating fuel;
 - c) It is unknown whether at the present moment Debtor's assets are properly insured, or whether such insurance has expired or whether insurance payments are being made by the Debtor;
 - d) Despite requests for information on the past and current affairs of the Debtor, little information and documents have so far been forthcoming from the Debtor due to the latter's lack of funds or other reasons unknown to Creditor-Petitioner;
 - e) Also, it is unknown whether there are currently employees, personnel or any other person on Debtor's premises to exercise any control, surveillance, upkeep and maintenance of Debtor's assets, which have possibly been left unprotected;
 - f) Lastly, it is imperative to immediately begin the process of looking for potential interested buyers of Debtor's assets, for the ultimate purpose of effectuating the best possible sale of said assets to preferably a single Nunavut residing purchaser for the purpose of protecting said assets' cultural value;

- g) Considering the situation, it is important that an officer of the Court, namely a Receiver be immediately appointed to the Debtor's assets, to ensure that all the assets be protected and their value preserved;

F. THE RECEIVER

35. RSM Richter Inc. (Raymond Massi, person responsible for the file) has accepted to act as Receiver in this matter with the powers requested in the conclusions of the present Motion.

FOR ALL THESE REASONS, PLEASE THE COURT TO:

- [1] **GRANT** the present motion;
- [2] **DISPENSE** the Creditor-Petitioner of service prior to the presentation of the present Motion or **REDUCE** the delays for service and presentation of the present motion;
- [3] **APPOINT** RSM Richter Inc. (Raymond Massi), as Receiver to all the movable and immovable assets of Les Productions Igloodik Isuma Inc. (**Debtor**), with the following rights and powers;
- a) **ACCESS** and **TAKE CONTROL**, as and when deemed advisable by the Receiver, of all the movable and immovable assets of Debtor, and to access all premises, places of business, locations where the Debtor's assets are located or business conducted, namely, and without restricting the generality of foregoing, the following:
- 1100, Crémazie Blvd. East, Montréal, Québec, H2P 2X2
- and
- 223-5764 Monkland Ave., Montreal, Québec, H4A 1E9;
- and
- 4521 Clark Avenue, Montreal, Suite 302
- and
- Lot 424, Plan 3033, Igloodik, Nunavut;
- b) **TAKE POSSESSION**, as and when deemed advisable by the Receiver, of said movable and immovable assets;
- c) **TAKE** all conservatory measures deemed necessary to safeguard the movable and immovable assets of Debtor and the revenues they generate or could generate;

- d) **ACCESS** and **TAKE POSSESSION** of all financial registries documents, whether on paper or in electronic format or computerized, and any and all registry or documents in the files of the Debtor pertaining to its assets and its operations;
- e) **RETAIN** the services of attorneys as necessary to assist the Receiver in its functions;
- f) **RETAIN** the services of any person, professional and/or expert and which services are necessary for the purpose of protecting the movable and immovable assets of Debtor or, and only after authorisation from this Honourable Court, for the purpose of effectuating the best possible sale, disposition or liquidation of said movable and immovable assets;
- g) **TAKE** undertakings for any disbursements or expenses, purchases, delivery of service or payment that the Receiver will deem necessary for the protection, sale and liquidation of the movable and immovable assets of Debtor;
- h) **OBTAIN** documents, information and assistance from any and all persons that the Receiver believes may have knowledge of the affairs of the Debtor or its assets;
- i) **SUBPOENA** any and all persons that the Receiver believes may have knowledge of the affairs of the Debtor or its assets, to be examined by attorneys acting for the Receiver and to bring with them any requested document or information;
- j) **ASSESS** the commercial value of any ongoing commercial or other activities of the Debtor and **ALLOW** the Receiver to complete or continue, as and when deemed advisable by the Receiver, such activities, if any, and if such activities might, in the opinion of the Receiver, add commercial value to the Debtor or to its assets;
- k) **RETAIN** the services of real estate agents, as the case may be;
- l) **PERFORM** any necessary steps in order to market, advertise or solicit offers from potential buyers of the movable and immovable assets of the Debtor;
- m) **PREPARE** all the necessary information documentation and the conditions of sale of the said movable and immovable assets and proceed to a call for tenders if it deems it appropriate;
- n) **SOLICIT** offers from third parties for the acquisition of the movable and immovable assets of the Debtor, in whole or on a fragmentary basis for individual assets or otherwise, the power to sell remaining in the hands of Debtor subject to subsequent decisions of this Court on this issue and subject to the **POWER** of the Receiver to ask this Court for authorization to sell, as the case may be, the said movable and immovable assets;
- o) **RECEIVE** any forced or voluntary surrender of all or part of the assets of Debtor, as the case may be;

- p) **ACT**, if Creditor-Petitioner requires it in the context of a motion of forced surrender for the purpose of sale under judicial authority, as designated person in favour of which surrender of Debtor's assets must occur, following a judgment to that effect;
 - q) **ACT**, if Creditor-Petitioner requires it, as a designated person for the purpose of sale under judicial authority of the movable and immovable assets of Debtor in the exercise by Creditor-Petitioner of its hypothecary actions in accordance with the *Civil Code of Quebec*, as the case may be;
 - r) **APPLY** to any Court of competent jurisdiction to obtain any directive that the Receiver may deem justified or necessary within the execution of its functions;
- [4] **ORDER** that any and all persons having possession of any assets, records and documents belonging to the Debtor or information concerning such assets, records or documents of the Debtor, to **REMIT** to the Receiver said assets, records, documents and information within a delay of ten (10) days from the judgment to intervene herein;
- [5] **DISPENSE** the Creditor-Petitioner from supplying any bond or security related to the nomination of the Receiver;
- [6] **ALLOW** the Receiver to collect, from time to time and depending upon the availability of liquidity, its fees, costs and disbursements, the whole subject to the ultimate taxation of its bill of costs, which fees and costs shall have and constitute security or charge ranking ahead of any and all secured creditors on the moveable and immovable assets of the Debtor. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees, costs and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court;
- [7] **ORDER** that the term of this receivership will last until such time as the complete disposition or sale of all of Debtor's assets, by way of sale under judicial authority or otherwise has occurred, or until such a time as the end of the liquidation process of Debtor's assets has arrived, as the case may be, or upon application to the Court by the Creditor-Petitioner or the Receiver;
- [8] **ORDER** that the order to be rendered shall have full force and effect in all provinces and territories of Canada;
- [9] **REQUEST** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted by the Parliament of Canada or the legislature of any province or territory to act in aid of and to be complementary to this Court in carrying out the terms of the order to be rendered;

- [10] **ORDER** the provisional execution of the order to be rendered on the present Motion notwithstanding appeal;
- [11] **THE WHOLE WITH COSTS** against the Debtor.

Montreal, May 31st 2011

A handwritten signature in blue ink, appearing to read "Miller Thomson Pouliot", is written over a horizontal line.

MILLER THOMSON POULIOT LLP
Attorneys for Creditor-Petitioner

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)

N°:

ATUQTUARVIK CORPORATION.;

Creditor-Petitioner

and

LES PRODUCTIONS IGLOOLIK ISUMA INC. (also
d.b.a: "IGLOOLIK ISUMA PRODUCTIONS INC";

Debtor-Respondent

and

RSM RICHTER INC.;

Receiver

**AFFIDAVIT OF K.J. (KEN) TONER IN SUPPORT
OF THE MOTION FOR THE APPOINTMENT OF A RECEIVER TO THE ASSETS
OF THE DEBTOR-RESPONDENT**

I, the undersigned, K.J. (Ken) Toner, President and CEO of Atuqtuarvik Corporation, domiciled and residing at 1 -12 Tariuq Ave., P.O. Box 928, Rankin Inlet, Nunavut, X0C 0G0, after been duly sworn, do depose and say:

1. Creditor-Petitioner Atuqtuarvik Corporation (hereinafter: "**Creditor-Petitioner**"), as secured creditor of the Debtor-Respondent Les Productions Igloolik Isuma Inc. (hereinafter: "**Debtor**"), requests from this Honourable Court to appoint RSM Richter Inc. (Raymond Massi as person responsible of the file) as a receiver to the assets (hereinafter: the "**Receiver**") of the Debtor with the powers enumerated in the conclusions of the Motion for the appointment of a receiver to the assets of the Debtor-Respondent;
2. The Debtor is a legal person constituted under the *Canada Business Corporations Act*, also doing business as Igloolik Isuma Productions Inc., as appears from an extract of the Quebec Enterprise Register (CIDREQ system) communicated in support hereto as Exhibit P-1;
3. The Debtor carries on business at 1100, Crémazie East Blvd., Suite 805, Montréal, District of Montreal, Province of Québec, H2P 2X2, as appears from Exhibit P-1;

4. Moreover, the greater portion of the property of the Debtor is situated in the District of Montreal, including, without limitation, all of the Debtor's books, records, and all of its financial and proprietary information;
5. The Debtor specializes in the productions of films and visual material, as the Debtor so describes itself at the Quebec Enterprise Register;
6. More particularly, the Debtor describes its mission as being: "*to produce independent community-based media – films, TV and now Internet – to preserve and enhance Inuit culture and language; to create jobs and economic development in Iqloolik and Nunavut; and to tell authentic Inuit stories to Inuit and non-Inuit audiences worldwide*" as appears from a paper extract of Debtor's own website on May 11, 2011 at "<http://www.isuma.tv/hi/en/isuma-productions/about>" communicated in support hereto as Exhibit P-2;
7. Creditor-Petitioner is a lender to the Debtor and secured creditor of the Debtor as per the terms of the following agreements;
8. Creditor-Petitioner is also a shareholder of the Debtor, owning 2 Million class "C" preferred shares;
9. Creditor-Petitioner loaned to the Debtor an amount of Five Hundred Thousand (Cdn \$500,000) Dollars in capital (the "**Loan**"), as appears from an executed demand loan agreement dated July 14, 2009 ("**Loan Agreement**"), copy of which is communicated in support hereto as Exhibit P-3;
10. The Loan carries interest at the fixed rate per annum of Seven Point Zero percent (7.0%), calculated semi-annually, not in advance;
11. The purpose of the Loan was to provide Debtor with short-term interim financing of general working capital requirements for immediate operating costs, and expressly excluded debt retirement;
12. As per the terms of the Loan Agreement, the Loan was payable by the Debtor upon demand made by the Creditor-Petitioner on ten (10) business day's notice, but no later than March 31, 2010, unless further extended by Creditor-Petitioner at the request of Debtor;
13. In fact, Debtor requested and obtained Loan term renewals until January 1, 2011;
14. As security for the Loan, a promissory note was also executed between Creditor-Petitioner and Debtor on July 14, 2009 ("**Promissory Note**") whereby the Debtor promises to pay to or to the order of Creditor-Petitioner upon demand made by Creditor-Petitioner on ten (10) business days' written notice to the Debtor, the aggregate principal amount of Five Hundred Thousand (\$500,000) Dollars, or such remaining principal amount as remains unpaid as of the date of demand, together with interest thereon, copy of said Promissory Note is communicated in support hereto as Exhibit P-4 ;
15. As per the terms of the Promissory Note, the principal amount remaining from time to time unpaid and outstanding shall bear interest both before and after demand at the

rate of Seven Point Zero percent (7.0%) per annum, calculated monthly, not in advance;

16. In order to further secure the Loan, a general security agreement was executed between Creditor-Petitioner and the Debtor on July 14, 2009 ("**General Security Agreement**") for the payment and performance of all debts, liabilities and obligations of the Debtor towards Creditor-Petitioner, bearing on "*property and assets of the Debtor which are now or hereafter owned by the Debtor, or as may be returned or repossessed by the Debtor, including, without limitation, all Chattel Paper, Documents of Title (whether negotiable or not), Goods, Instruments, Intangibles and Securities and in all personal property referred to in Schedule "A", and in all proceeds and renewals thereof, accessions thereto, and substitutions therefore*", copy of said General Security Agreement and its Schedules are communicated in support hereto as Exhibit P-5;
17. The General Security Agreement is registered pursuant to the *Personal Property Security Act* (Nunavut) by registration of a financing statement as #142,877, as appears from copy of said registration communicated in support hereto as Exhibit P-6;
18. The General Security Agreement is also registered at the Quebec Register of Personal and Movable Real Rights ("RPMRR") under the inscription number 11-0158437-0001 and amended by inscription number 11-0169405-0001, said inscriptions are communicated in support hereto as Exhibit P-7, in bundle;
19. As at May 27, 2011, the total amount of Debtor's indebtedness towards Creditor-Petitioner is \$513,995.47, as further detailed hereunder;

Principal Balance -	\$500,000.00
Outstanding Interest -	\$12,655.11 (as at May 13, 2011)
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Total amount owing -	\$513,995.47 (as at May 27, 2011)

plus interest accrued on the said amount from May 13, 2011 at seven decimal zero percent (7.0%) per annum, compounded monthly, plus Creditor-Petitioner's further reasonable costs and chargeable to the indebtedness, as appears from a statement of account communicated in support hereof as Exhibit P-8;

20. The Debtor appears to be also indebted towards other secured creditors, being:
 - a) The Royal Bank of Canada for an amount up to \$103,500.00 plus interest at the prime rate plus 7.0%, secured by a movable hypothec on various assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as Exhibit P-9;
 - b) Alliance Atlantis Broadcasting Inc., for an amount up to \$75,000.00 plus interest at 12% per annum, secured by a movable hypothec on certain assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as Exhibit P-10;

- c) National Bank of Canada for an amount up to \$69,600 including an additional hypothec in the amount of \$11,600, secured by a movable hypothec on all of the Debtor's "*movable property, corporeal and incorporeal, present and future, wherever located*", as appears from a copy of the relevant RPMRR inscription filed in support hereto as Exhibit P-11;
 - d) National Bank of Canada, for an amount up to \$162,000 including an additional hypothec in the amount of \$27,000, secured by a movable hypothec on certain assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as Exhibit P-12;
 - e) National Bank of Canada, for an amount up to \$306,000 including an additional hypothec in the amount of \$51,000, secured by a movable hypothec on certain assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as Exhibit P-13;
 - f) National Bank of Canada, for an amount up to \$150,000 including an additional hypothec in the amount of \$25,000, secured by a movable hypothec on certain assets belonging to the Debtor, as appears from a copy of the relevant RPMRR inscription filed in support hereto as Exhibit P-14;
21. Loan term renewals until January 1, 2011 were granted by Creditor-Petitioner to the Debtor given that Creditor-Petitioner, as a shareholder of Debtor and aware of Debtor's financial difficulties prior to January 1, 2011, has a real stake in the continued survival of the Debtor;
 22. Presently, Debtor is in default towards Creditor-Petitioner as per the terms of the Loan Agreement and the Promissory Note;
 23. Mr. Norman Cohn, shareholder, secretary and treasurer of the Debtor advised Creditor-Petitioner that the Debtor has ceased all operations as of January 1, 2011, without the consent of Creditor-Petitioner;
 24. Moreover, the Debtor has ceased all monthly payments of Loan interest since February 1, 2011;
 25. In fact, the February 1, 2011 monthly loan interest payment of \$2,972.77 was returned by the Debtor's financial institution due to insufficient funds;
 26. On or about February 15, 2011, Creditor-Petitioner sent a letter of demand and notice of acceleration of all principal and aggregate indebtedness to the Debtor, as appears from a copy of such letter communicated in support hereto as Exhibit P-15;
 27. On or about May 25, 2011, Creditor-Petitioner, by way of its solicitors Dubuc Osland, caused to be served upon Debtor a Notice of Intent to Enforce its Security as per section 244 (1) of the *Bankruptcy and Insolvency Act*, the whole as appears from a copy of said Notice of Intent communicated in support hereto as Exhibit P-16;
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Petitioner Dubuc-Osland and Mr. Norm Cohn, copy of which is communicated in support hereto as Exhibit P-17;

29. Mr. Norman Cohn does continue to communicate with Creditor-Petitioner and has indicated Debtor's willingness to co-operate with Creditor-Petitioner in order to effectuate a voluntary winding-up of the Debtor's activities and assets;
30. The Creditor-Petitioner has therefore, since January 2011, requested that the Debtor provide financial and other record and information disclosures, including copies of bank statements of the Debtor (which bank statements were provided), and has asked follow up questions with a view to the orderly winding up of the Debtor's activities and assets. However, due to financial constraints on the Debtor, or reasons otherwise unknown to the Creditor-Petitioner, the Debtor has been unable or unwilling to provide most of the items or information requested by the Creditor-Petitioner as of the date of this motion;
31. For example, audited financial statements for the year ended December 31, 2010 have not been prepared by the Debtor, and has stated to the Creditor-Petitioner that it will not provide such information to the Creditor-Petitioner because it does not have the financial resources to prepare such information, though required to do so pursuant to the terms of the Creditor-Petitioner's security;
32. Creditor-Petitioner intends to have the Receiver access and take control of the Debtor's assets for the purpose of protecting such assets and assessing their commercial value, and only after authorization from this Honourable Court, wind-up the Debtor's affairs and sell Debtor's intellectual property rights and body of work to a prospective purchaser or purchasers who will have the capacity to archive and safeguard all of the Debtor's intellectual property, as well as all books, videos, data and information derived from Inuit cultural sources that go along with Debtor's body of work;
33. In fact, it is very important that the Debtor's assets be protected, given that much of Debtor's body of work, which includes unpublished archived material, is culturally sensitive to the Inuit people and its history, for example, the video-taping and images of Inuit elders who are now deceased, and on such subjects as Inuit history, mythology and stories;
34. Considering the above facts, it is imperative and urgent that a Receiver be appointed to Debtor's assets, for the following reasons:
 - a) As mentioned previously, Debtor has advised Creditor-Petitioner that its operations have ceased and the company is for all intents and purposes closed to the best of Creditor-Petitioner's knowledge and belief;
 - b) Furthermore, Debtor has advised Creditor-Petitioner that experienced office staff were laid off, and that as of January 1, 2011 or before, no one is employed any longer by Debtor, which has no funds to pay any salaries, office or overhead expenses, including annual insurance and heating fuel;
 - c) It is unknown whether at the present moment Debtor's assets are properly insured, or whether such insurance has expired or whether insurance payments are being made by the Debtor;

- d) Despite requests for information on the past and current affairs of the Debtor, little information and documents have so far been forthcoming from the Debtor due to the latter's lack of funds or other reasons unknown to Creditor-Petitioner;
 - e) Also, it is unknown whether there are currently employees, personnel or any other person on Debtor's premises to exercise any control, surveillance, upkeep and maintenance of Debtor's assets, which have possibly been left unprotected;
 - f) Lastly, it is imperative to immediately begin the process of looking for potential interested buyers of Debtor's assets, for the ultimate purpose of effectuating the best possible sale of said assets to preferably a single Nunavut residing purchaser for the purpose of protecting said assets' cultural value;
 - g) Considering the situation, it is important that an officer of the Court, namely a Receiver be immediately appointed to the Debtor's assets, to ensure that all the assets be protected and their value preserved;
35. RSM Richter Inc. (Raymond Massi, person responsible for the file) has accepted to act as Receiver in this matter with the powers requested in the conclusions of the Motion for the appointment of a receiver to the assets of the Debtor-Respondent.
36. All the facts mentioned in this affidavit are true.

AND I HAVE SIGNED



K. J. (KEN) TONER

SWORN TO BEFORE ME in Ottawa, Ontario
This ~~31st~~ day of May 2011



Notary Public

NOTICE OF PRESENTATION

TO: **LES PRODUCTIONS IGLOOLIK ISUMA INC.**
(also d.b.a: "IGLOOLIK ISUMA PRODUCTIONS INC").
1100, Crémazie East Blvd., Suite 805
Montréal, Province of Québec, H2P 2X2

and

RSM RICHTER INC.
2, Place Alexis Nihon, 21st floor
Montreal, Province of Quebec, H3Z 3C1

TAKE NOTICE that the Motion for the appointment of a receiver to the assets of the debtor-respondent will be heard for adjudication before one of the honourable judges of the Superior Court on **June 9th 2011** at 9:00 am or as soon counsel may be heard at the Montréal Court House situated at 1, Notre Dame Street East, in room 16.10.

PLEASE DO GOVERN YOURSELVES ACCORDINGLY.

MONTRÉAL, May 31st 2011


MILLER THOMSON POULIOT LLP
Attorneys for the Creditor-Petitioner

500-11-040897-114

No

COUR SUPERIOR

DISTRICT MONTREAL

ATUQUARVIK CORPORATION

CREDITOR-PETITIONER

AND

LES PRODUCTINS IGLOOLIK ISUMA INC. (ALSO DOING BUSINESS UNDER THE NAME OF "IGLOOLIK ISUMA PRODUCTIONS INC.")

DEBTOR-RESPONDENT

AND

RSM RICHTER INC.

RECEIVER

2307
500 \$
RP

MOTION FOR THE APPOINTMENT OF A RECEIVER TO THE ASSETS OF THE DEBTOR-RESPONDENT (ARTICLE 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)

ORIGINAL

REF.: MIRE YVES ROBILLARD O/F : 137253.0001

Miller
Thomson
avocats | lawyers
BP / 0363

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