

Estate No. 31-2467216

**IN THE MATTER OF THE BANKRUPTCY OF
SOUND CITY MUSIC ENTERTAINMENT INC. (O/A RPM DISTRIBUTION),
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

**NOTICE OF BANKRUPTCY AND FIRST MEETING OF CREDITORS
(Subsection 102(1) of the *Act*)**

TAKE NOTICE THAT:

1. Sound City Music Entertainment Inc. filed an assignment on January 25, 2019 and the undersigned, A. Farber & Partners Inc., was appointed as Trustee of the Estate of the Bankrupt by the Official Receiver, subject to affirmation by the creditors of the Trustee's appointment or substitution of another Trustee by the creditors.
2. The First Meeting of Creditors of the Bankrupt will be held on February 14, 2019 at 10:00 AM at A. Farber & Partners Inc., LIT, 150 York Street, Suite 1600, in Toronto, Ontario.
3. To be entitled to vote at the meeting, a creditor must lodge with the Trustee, before the meeting, a Proof of Claim and, where necessary, a proxy.
4. Enclosed with this Notice is a form of Proof of Claim, a form of proxy, and a list of creditors with claims amounting to twenty-five (\$25.00) dollars or more, showing the amounts of their claims.
5. Creditors must prove their claims against the Estate of the Bankrupt in order to share in any distribution of the proceeds realized from the Estate.

DATED at Toronto this 28th day of January, 2019.



A. FARBER & PARTNERS INC.

District of:
Division No. -
Court No.
Estate No.

☒ Original ☐ Amended

-- Form 78 --

Statement of Affairs (Business Bankruptcy) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the bankruptcy of
Sound City Music Entertainment Inc. (o/a RPM Distribution)
of the City of Vaughan, in the Province of Ontario

To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 24th day of January 2019. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

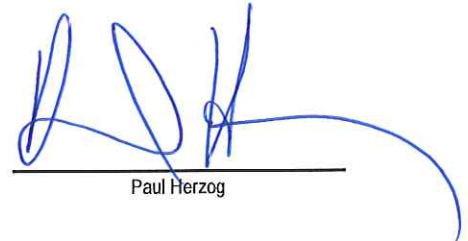
LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	8,853,795.81
Balance of secured claims as per list "B"	0.00
Total unsecured creditors	8,853,795.81
2. Secured creditors as per list "B"	55,000.00
3. Preferred creditors as per list "C"	1.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	8,908,796.81
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	2,585,000.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	212,666.81
Doubtful	0.00
Bad	0.00
Estimated to produce	212,666.81
4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
5. Deposits in financial institutions	0.00
6. Cash	1,412,200.00
7. Livestock	0.00
8. Machinery, equipment and plant	50,000.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	55,000.00
15. Other property, as per list "H"	138,732.40
If bankrupt is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	4,453,599.21
Deficiency	4,455,197.60

I, Paul Herzog, of the Township of King City in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 24th day of January 2019 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the City of Toronto in the Province of Ontario, on this 24th day of January 2019.


Paul Herzog

LLOYD HOWARD WASSER, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Expires: June 22, 2020.

District of:
Division No.
Court No.
Estate No.

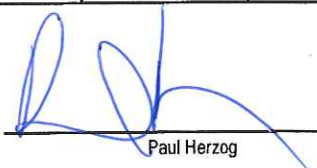
FORM 78 – Continued

List "A"
Unsecured Creditors
Sound City Music Entertainment Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	AM Denmark Converted to CAD	-- Denmark	120,000.00	0.00	120,000.00
2	Bell Canada F-88 - Business Attn: Insolvency Department	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3	1.00	0.00	1.00
3	C & S Cleaning Solutions	134 Aberdeen Ave Woodbridge ON L4L 1C2	1,220.40	0.00	1,220.40
4	Cam Cartage Inc.	2728 Slough Street Mississauga ON L4T 1G3	520.34	0.00	520.34
5	COMPARATIO USA, LLC Converted to CAD	5353 Gamble Drive, Suite 200 St Louis Park MN 55416 USA	2,700.00	0.00	2,700.00
6	CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	1.00	0.00	1.00
7	Delmark Records	4121 N Rockwell St Chicago IL 60618 USA	1.00	0.00	1.00
8	DISTRIBUTION SELECT	4380 rue Garand Ville Saint-Laurent QC H4R 2A3	62,106.83	0.00	62,106.83
9	DISTRISALES BV	Dalkruidbaan 109 2908 KC Capelle a/d IJssel -- Netherlands	1.00	0.00	1.00
10	ECSolutions Inc.	3200 Autoroute Laval Ouest Laval QC H7T 2H6	50,283.11	0.00	50,283.11
11	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department	3401 Schmon Pkwy, PO Box 1051 Thorold ON L2V 5A8	1.00	0.00	1.00
12	EPICOR SOFTWARE CANADA LTD.	45 Vogell Road Richmond Hill ON L4B 3P6	1.00	0.00	1.00
13	FAB DISTRIBUTION	598 Victoria C.P. 36587 St-Lambert QC J4P 3S8	98,209.38	0.00	98,209.38
14	FAT CAT INTERNATIONAL LTD. Converted to CAD	165 Granville Rd, Unit 5 Hawthorn Business Park London NW2 2AZ United Kingdom	41,611.09	0.00	41,611.09
15	FCL Fisker Customs & Logistics	1445 Courtneypark Drive East Mississauga ON L5T 2E3	6,793.26	0.00	6,793.26
16	Federal Express Canada Ltd. - Revenue Recovery Department Attn: Lynn Tassone	5985 Explorer Drive Mississauga ON L4W 5K6	1.00	0.00	1.00
17	Liftow Limited	1400 Courtneypark Dr E Mississauga, ON ON L5T 1H1	389.17	0.00	389.17
18	Ludger Daoust	645 Boul Adolphe Chapleau, Apt 6 Bois-des-Filion QC J6Z 1K8	765.81	0.00	765.81
19	Mammone Disposal System Ltd.	10335 Highway 50 Kleinburg ON L0J 1C0	1,202.69	0.00	1,202.69
20	Mantoria Inc.	4492 Sainte-Catherine West Westmount QC H3Z 1R7	21,777.31	0.00	21,777.31
21	Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	1.00	0.00	1.00

24-Jan-2019

Date


Paul Herzog

District of:
Division No. -
Court No.
Estate No.

FORM 78 – Continued

List "A"
Unsecured Creditors
Sound City Music Entertainment Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
22	MUSIC DIRECT (MOBILE FIDELITY) Converted to CAD	1811 W. Bryn Mawr Ave Chicago IL 60660 USA	54,038.34	0.00	54,038.34
23	MVD Entertainment Group	203 Windsor Road Pottstown PA 19464 USA	16,534.64	0.00	16,534.64
24	NAXOS OF CANADA LTD.	PO Box 563444, STN A Toronto ON M5W 4L1	4,802.15	0.00	4,802.15
25	Olympic Plastic Bags Ltd	35 Mid-Dominion Acres Toronto ON M1S 5K5	25,577.55	0.00	25,577.55
26	OUTSIDE MUSIC	7 Labatt Avenue, Suite 210 Toronto ON M5A 1Z1	126,965.86	0.00	126,965.86
27	Packaging World Inc.	880 Steeprock Drive North York ON M3J 2X2	61.87	0.00	61.87
28	PowerStream Inc. Attn: Ada Stancali	161 Cityview Blvd Woodbridge ON L4H 0A9	1.00	0.00	1.00
29	PURE PLEASURE RECORDS LTD. Converted to CAD	1 Strawberry Vale, Unit 1 Swan Island Twickenh TW1 4RX United Kingdom	3,103.60	0.00	3,103.60
30	Robert Bolduc	27 Av Des Grives St-Basile-Le-Grand QC J3N 1L1	7,210.59	0.00	7,210.59
31	Rocketline	300 Confederation Parkway, Unit 4 Concord ON L4K 4T8	1,199.61	0.00	1,199.61
32	Simply Media TV	Highlight House, 57 Margaret St London W1W 8SJ United Kingdom	1.00	0.00	1.00
33	SONY MUSIC CANADA	150 Ferrand Drive, Suite 300 Toronto ON M3C 3E5	2,042,631.38	0.00	2,042,631.38
34	SPEAKER'S CORNER	--	1.00	0.00	1.00
35	TD Canada Trust Attn: CC&R Insolvency and Credit Counselling	4880 Tahoe Blvd Mississauga ON L4W 5P3	1.00	0.00	1.00
36	Uline Canada Corporation	RPO Streetsville, PO Box 3500 Mississauga ON L5M 0S8	101.61	0.00	101.61
37	UNIDISC	57-b Hymus Pointe-Claire QC H9R 4T2	1,757.20	0.00	1,757.20
38	UNIVERSAL MUSIC CANADA INC.	2450 Victoria Park Ave North York ON M2J 4A2	5,360,719.52	0.00	5,360,719.52
39	Vitran Express	1201 Creditstone Road Concord ON L4K 0C2	1,483.91	0.00	1,483.91
40	WARNER MUSIC CANADA	155 Gordon Baker Rd, Suite 401 Toronto ON M2H 3N5	800,016.59	0.00	800,016.59
Total:			8,853,795.81	0.00	8,853,795.81

24-Jan-2019

Date


Paul Herzog

District of:
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FORM 78 -- Continued

List "B"
Secured Creditors

Sound City Music Entertainment Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Ford Credit Canada Limited Attn: Bankruptcy Department	PO Box 2400 Edmonton AB T5J 5C7	55,000.00	Motor Vehicles - Automobile - 2018 - Ford - F150		55,000.00		
Total:			55,000.00			55,000.00	0.00	0.00

24-Jan-2019

Date


Paul Herzog

District of:
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FORM 78 – Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

Sound City Music Entertainment Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
1	Bentall Kennedy (Canada) LP Landlord	1 York Street, Suite 1100 Toronto ON M5J 0B6		-	1.00	0.00	1.00
Total:					1.00	0.00	1.00

24-Jan-2019
Date


Paul Herzog

District of:
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Court No.
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FORM 78 – Continued

List "D"
Contingent or Other Liabilities

Sound City Music Entertainment Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

24-Jan-2019

Date


Paul Herzog

District of:
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FORM 78 -- Continued

List "E"
Debts Due to the Bankrupt
Sound City Music Entertainment Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	A/R - Various Customers	-- --	A/R - Various Customers	212,666.81 0.00 0.00		27-Feb-1995	212,666.81	A/R - Various Customers
Total:				212,666.81 0.00 0.00			212,666.81	

24-Jan-2019

Date



Paul Herzog

District of:
Division No. -
Court No.
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FORM 78 - Continued

List "F"


Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Sound City Music Entertainment Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

24-Jan-2019

Date


Paul Herzog

District of:
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Court No.
Estate No.

FORM 78 – Continued

List "G"
Real Property or Immovables Owned by Bankrupt
Sound City Music Entertainment Inc.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

24-Jan-2019

Date


Paul Herzog

District of:
Division No. -
Court No.
Estate No.

FORM 78 -- Concluded

List "H"
Property

Sound City Music Entertainment Inc.
FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory	8,618,159.00	2,585,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	1,412,200.00	1,412,200.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Equipment	479,368.00	50,000.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Automobile - 2018 - Ford - F150	72,000.00	55,000.00
(l) Taxes			0.00	0.00
(m) Other		HST Refunds	138,731.40	138,731.40
		Prepaid Deposits	15,500.00	1.00
Total:			4,240,932.40	

24-Jan-2019

Date



Paul Herzog

Court No.

File No.

In the matter of the bankruptcy of
Sound City Music Entertainment Inc. (o/a RPM
Distribution)
of the City of Vaughan, in the Province of Ontario

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

A. FARBER & PARTNERS INC., LIT - Licensed
Insolvency Trustee

150 York Street, Suite 1600
Toronto ON M5H 3S5
Phone: (416) 497-0150 Fax: (416) 496-3839

All notices or correspondence regarding this claim must be forwarded to the following address:

IN THE MATTER OF THE **BANKRUPTCY** of **SOUND CITY MUSIC ENTERTAINMENT INC. (O/A RPM DISTRIBUTION)**, of **Vaughan, Ontario** and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor),
of _____ (city and province) do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor or representative of the creditor)).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy, namely the **25th day of January, 2019**, and still is, indebted to the creditor in the sum of \$_____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. (Check and complete appropriate category.)

- ☐ **A. UNSECURED CLAIM OF \$_____**
That in respect of this debt, I do not hold any assets of the debtor as security and (check appropriate description):
- ☐ Regarding the amount of \$_____, I claim a right to a priority under section 136 of the Act.
- ☐ Regarding the amount of \$_____, I do not claim a right to a priority.
(Set out on attached sheet details to support priority claim.)
- ☐ **B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$_____**
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)
- ☐ **C. SECURED CLAIM OF \$_____**
That in respect of this debt, I hold assets of the debtor valued at \$_____ as security, particulars of which are as follows: (Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)
- ☐ **D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$_____**
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$_____.
(Attach a copy of sales agreement and delivery receipts.)
- ☐ **E. CLAIM BY WAGE EARNER OF \$_____**
- ☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$_____
- ☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$_____
- ☐ **F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$_____**
- ☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$_____
- ☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$_____
- ☐ **G. CLAIM AGAINST DIRECTOR \$_____**
(To be completed when a proposal provides for the compromise of claims against directors.)
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)
- ☐ **H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$_____**
That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or party to with the debtor within the three months (*or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months*) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (*Provide details of payments, credits and transfers at undervalue.*)

7. (*Applicable only in the case of the bankruptcy of an individual*)

- ☐ Whenever the trustee reviews the financial situation of a bankrupt to re-determine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address. (*Applicable only in the case of the bankruptcy of an individual.*)

Dated at _____ this _____ day of _____ 20_____.

Witness Signature (required): _____ Creditor Signature (required): _____

Phone Number: _____

Fax Number: _____

Email: _____

NOTES: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1 must be added at the end of the document.

WARNING: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

General

The *signature of a witness* is required.

This document **must be signed** personally by the individual completing the declaration.

Give the complete address where all notices or correspondence is to be forwarded.

For your claim to be valid, you must provide **supporting documentation** (*i.e., invoice or statement of account*). The amount on the **statement of account** must correspond to the amount indicated on the proof of claim (*see Item 3 below*).

Item 1 – Creditor must state full and complete legal name of company or firm. If the individual completing the proof of claim is not the creditor himself, he must state his position or title.

Item 3 – The statement of account must be complete. A **detailed statement of account of the last three months** must be attached to the proof of claim and **must** show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments.

Item 4 – Please **strike out** those phrases that do not apply.

- An unsecured creditor must indicate whether he does or does not claim a right to a priority. A schedule must be attached to support priority claims.
- If you are filing as a secured creditor, a certified copy of the security documents must be attached to the proof of claim.
- If making a claim as a farmer, fisherman or aqua culturist, attach a copy of sales agreement and delivery documents.

Item 5 – All claims must indicate if they **are or are not related** to the debtor, as defined in Section 4 of the Bankrupt Act, by striking out "**are**" or "**are not**." If you are related by blood or marriage to the debtor, you should consider yourself to be a related person. If the bankrupt is a corporation, you would be considered to be related to it if you were a shareholder or if your company was controlled by the same shareholders as the bankrupt corporation.

Item 6 – All Claimants must attach a detailed list of all payments or credits received or granted as follows:

- **within the three (3) months preceding** the bankruptcy or the proposal, in case where the claimant and the debtor are not related.
- **within the twelve (12) months preceding** the bankruptcy or proposal, in the case where the claimant and the debtor are related.

PROXY

All signatures must be witnessed.

A creditor may vote either in person or by proxy.

A debtor may not be appointed a proxy to vote at any meeting of his creditors.

The trustee may be appointed as a proxy for any creditor.

In order for a duly authorized person to have a right to vote he must himself be a creditor or be holder of a properly executed proxy.

The name of the creditor must appear in the proxy.

Completed forms can be sent by:

Mail: **Geanina Schmidt**
A. Farber & Partners Inc., Trustee
150 York Street, Suite 1600
Toronto, ON M5H 3S5

Fax: 416-496-3839

Email: gschmidt@farbergroup.com

Note: As an original claim is not necessary, multiple copies of your claim do not need to be sent. One copy of your claim and supporting documentation, either by mail, fax or email, would suffice.

GENERAL PROXY

IN THE MATTER OF THE **BANKRUPTCY OF SOUND CITY MUSIC ENTERTAINMENT INC. (O/A RPM DISTRIBUTION)**

an insolvent person. I (*or We*), _____

(*name of creditor*), of _____ (*name of city, town or village*), a creditor in the above matter, hereby appoint _____ or, _____ to be my (*or our*) general proxy in the above except as to the receipt of dividends, with (*or without*) power to appoint another general proxy in his or her place.

Dated at _____ this _____ day of _____, 20_____.

Witness

Individual Creditor (Telephone no.)

Name of Corporate Creditor

Witness

Per: _____
Name and Title of Signing Officer (Telephone no.)