



May 19, 2023

To: All Customers of Neptune Security Services Inc.

Re: In the Matter of the Receivership of Neptune Security Services Inc. (the “Debtor”)

Dear Customer,

Please be advised that msi Spergel inc. (“**Spergel**”) was appointed as receiver (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties (collectively, the “**Property**”) of the Debtor. Spergel was appointed as the Receiver pursuant to the Order of the Honourable Mr. Justice Penny of the Ontario Superior Court of Justice (Commercial List) made May 18, 2023 (the “**Appointment Order**”). A copy of the Appointment Order is available on the Receiver’s website at <https://www.spergelcorporate.ca/engagements/neptune-security-services-inc/>.

Spergel was also appointed as the Licensed Insolvency Trustee (in such capacity, the “**Trustee**”) of the bankruptcy estate of the Debtor. The Debtor was assigned into bankruptcy on May 18, 2023. A copy of the Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy is available on the Receiver’s website.

The Appointment Order empowers and authorizes the Receiver to, amongst other things, “*take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property*” and “*receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies.*” The Appointment Order also, amongst other things:

- a) provides that the Receiver is “*exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined [in the Appointment Order]), including the Debtor, and without interference from any other Person;*”
- b) requires that all Persons “*shall forthwith advise the Receiver of the existence of any Property in such Persons’ possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request;*” and
- c) requires that all Persons “*shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor ... (the foregoing, collectively, the ‘Records’) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof*”

The powers of the Receiver set out in the Appointment Order are further supplemented by, amongst other things, the statutory powers of the Trustee set out in the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), including, without limitation, the vesting of the Property in the Trustee, such that “*a bankrupt ceases to have any capacity to dispose of or otherwise deal with their [sic] property.*”

The Receiver and the Trustee is providing this notice to all customers that owe any monies on account of outstanding receivables or otherwise to the Debtor. In accordance with the terms of the Appointment Order and the provisions of the BIA, the Receiver and the Trustee require that all amounts outstanding to the Debtor be delivered to the Receiver as soon as possible. Should there be a dispute of any amounts, the undisputed amounts shall be paid to the Receiver immediately and details of the disputed amounts shall be provided to the Receiver in writing.

With respect to the ongoing contracts, please note that the Receiver is not operating the business of the Debtor and does not have any intention of fulfilling obligations underlying any active contracts. Customers are encouraged to contact the Receiver with copies of the contracts, so the Receiver can assess and provide further information.

The funds referenced above can be delivered to Mukul Manchanda, the licenced insolvency trustee at Spergel with carriage of these matters, at the following address:

Mukul Manchanda
msi Spergel inc.
200 Yorkland Blvd., Suite 1100, Toronto, Ontario, M2J 5C1
Tel: 416.498.4314 / Fax: 416.494.7199
mmanchanda@spergel.ca

Alternatively, wire transfer instructions to the Receiver’s trust account can be provided upon request.

Should you have any questions or concerns please do not hesitate to contact the undersigned.

msi Spergel inc.,
solely in its capacity as the Court-Appointed
Receiver of the Debtor and not in its personal
or corporate capacities.

Per:



Mukul Manchanda, CPA, CIRP, LIT
Managing Partner