



**t:** (905) 503-3328  
(888) 552-5087

**f:** (905) 503-2338

78 Wellington Street E.  
Aurora, ON L4G 1H8

**Joanne Russo, CIRP**  
**Licensed Insolvency Trustee**  
President

**c:** (416) 723-5232

**t:** (905) 503-3328 ext. 101

**e:** russo@russocanhelp.com

Court File No. CV-24-00712995-00CL

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

INTEL CENTERS INC. and ITALO SABATO  
and SILVANO ZACCHIGNA and MARIA ALICIA MAJLUF

Applicants

- and -

IOTICITI NETWORKS INC. and RONALD FRANK  
and DARREN FRANK and LOU GALLUCCI

Respondents

**RECEIVERS 1<sup>ST</sup> REPORT**

---

**INTRODUCTION**

This is the first report (the "First Report") of Russo Corp. (the "Receiver") in its capacity as investigatory and possessory receiver over the assets and undertaking of IOTICITI NETWORKS INC. A motion was made by the Applicants for an Order pursuant to section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Russo Corp. as investigatory and possessory receiver of all of the assets, undertakings and properties of Ioticiti Networks Inc. (the "Company").

Russo Corp. was appointed as Receiver, without security, of all of the assets, undertakings and properties of the Company acquired for, or used in relation to a business carried on by the Company, including all proceeds thereof (the "Property").

### **PURPOSE OF THE FIRST REPORT**

The purpose of the First Report is to provide an update on the actions of the Receiver since the receiving the Order on April 4, 2024.

### **RECOVERY EFFORTS- INVESTIGATION POWERS AND ACTIONS TO DATE**

The Receivers investigative mandate is to report on the true and accurate financial circumstances of the Company and the Property including the following:

- a) The assets, income, licensing agreements, shareholdings, liabilities and operations of the Company;
- b) All dispositions, dealings and transactions in connection with the Property since October 1, 2018, including, without limitation, the spectrum licenses held or previously held by the Company and/or any of its subsidiaries, affiliates or related entities in any jurisdiction in Canada and/or the United States of America; and
- c) All non-arm's length actions, transactions, dealings and conduct, including without limitation, any share issuance(s) or transaction(s), between the Company, any subsidiary, affiliate or related entity, and any of the other Respondents and/or in connection with the Property and any non-arm's length person or entity (expressly including any corporation, entity or trust) since October 1, 2018. Specifically, the Receiver is empowered and authorized to investigate, report on and/or opine on the validity, enforceability, consideration and bona fides of all such actions transaction(s), dealings and conduct.

## **1. Communication with Innovation, Science and Economic Development Canada (the “ISED”) Licensing Body**

The Receiver was successful in communicating with Jacob Gurnick- Director of Licensing and Spectrum Operations, Innovation, Science and Economic Development Canada. A copy of the Order was provided to Mr. Gurnick. Our communication request in general was the return of Licenses. Mr. Gurnick responded to our letter confirming that that the licences that were formerly held by Metro Connect International Inc. (MCI) were annual radio licences that expired on March 31, 2023. According to Mr. Gurnick, no steps were taken to renew the licences before their expiry, or re-apply after the expiry. We were informed that as of the date of this Report, MCI does not hold licences of any kind under the Radiocommunication Act and is currently not authorized to operate its equipment on any radiocommunication frequencies.

We have requested from Mr. Gurnick copies of all communications on file with respect to these licenses; requested login information to MCI my CRTC account, which from our understanding is the portal that is used to renew the captioned licenses. We are waiting a response to our letter.

## **2. City of Vaughan Contract**

The Company had one significant project with the City of Vaughan. The Contract was a pilot program which provided an annual revenue stream of approximately \$120,000.00. The contract was no longer serviced and as result of same it came to an end. The equipment used to service the contract continues to remain at the City of Vaughan. The Company wishes to bring the contract in good standing.

We were successful in communicating with the City of Vaughan and have written to Zoran Postic, Deputy City Manager of Public Works, Emilie Alderman, Director of Environmental Services and James Steele, Former Director of Environmental Services. A meeting is set to scheduled with their Counsel Emily Mau.



**t:** (905) 503-3328  
(888) 552-5087

**f:** (905) 503-2338

78 Wellington Street E.  
Aurora, ON L4G 1H8

**Joanne Russo, CIRP**  
**Licensed Insolvency Trustee**  
President

**c:** (416) 723-5232

**t:** (905) 503-3328 ext. 101

**e:** russo@russocanhelp.com

The Agenda at that meeting will be to table the contract with the Company, the revival of the contract (if possible), the equipment on site and the outstanding accounts receivable which has been acknowledged as due and payable by the City of Vaughan.

### **3. POSSESSION OF BOOKS AND RECORDS- ACCOUNTING RECORDS**

We have written to Stephen M. Rosenberg, CPA, CA , from RSLP . Mr. Rosenberg was the former accountant for Company and assisted with the financial reporting for Company since the date of Incorporation.

We requested copies of all corporate records in their possession pertaining to Iotociti Networks Inc, Metro Connect, Mustang Asset Management and Metro Wireless, all of whom are affiliates of Iotociti. Our letter made note that all Corporate records are inclusive of a) All Bank Statements with respect to Corporate accounts; Returns filed to Date; Minute Books in your possession; Copy of Quick books and or other Accounting programs used for manage financial reporting; Financial Reporting BMO bank account statements for the period March 1, 2017 through May 31, 2022; RBC bank account statements for the period January 1, 2018 through June 27, 2022; Agreement of Purchase and Sale Regarding Full Licenses between Mark Cohen and Ronald Frank dated November 5, 2014; Extracts from accountant working papers regarding the Spectrum Licence assets and liability for December 31, 2017; Emails and correspondence regarding the Spectrum assets and liability; Central Securities Register as of May 26, 2022; Agreement of Purchase, Sale and Conveyance dated October 28, 2020 regarding the acquisition of LuciAI Inc.; shareholders share certificates.

As of the date of writing this report, no response has been received by Mr. Rosenberg. Mr Rosenberg has been provided with a copy of our Order and has been directed to the appropriate section Sections of the Order 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 Company, and including, without limitation, relating to the Investigation Mandate, and any computer programs, computer tapes, computer disks, or other data storage

media containing any such information (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 and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

#### 4. LETTER TO PINNACLE AND AppRIVER

Pinnacle and AppRiver were the "cloud" providers for the Company. Their services included I cloud business applications such as office 365, email and all application pertaining to I cloud instances for the Company and its affiliates, Metroconnect, Metroconnect Wireless Group, Metroconnect International, Mustang Holdings, Mustang Asset Management, Addison Group and PSWN Management. They managed all IP addresses and employee personal business files in addition to managing their domain registration access or redirection of any domains.

Kevin M. Watson, the President and CEO, Pinnacle IP Solutions Pinnacle has responded to our letters and made note of the following:

After you cancel a subscription, your billing stops immediately. You can delete your subscription directly from the portal seven days after you cancel it, when the **Delete subscription** option becomes available. When you cancel, Microsoft waits 30 to 90 days before permanently deleting your data in case you need to access your data. We don't charge you for retaining the data. For more information, see [Microsoft Trust Center: how to manage your data](#).

As of the date of this Report, we have not received a response from AppRiver.

The Receiver has determined that the Company's Office 365 and cloud services account are currently being paid, the services are continued to be utilized.

**5. COMMUNICATIONS WITH R. Reusse Construction Co. Limited AND THEIR COUNSEL RE: 900 Allstate Parkway, Markham, Ontario (the "Leased Space")**

The Company's head office was located at 900-100 Allstate Parkway, Markham, Ontario. Based on our review of the books and records, the head office contained all the lab equipment, books and records of the company and computers such as desktops and laptop of former employees and Directors of the Company. The Receiver has reached out to the Landlord and its Counsel Mr. Terrence A. Pochmurski with respect to inspection of the assets. In fact, the Receiver had attended the premises on Two (2) occasions and was refused access for the sole purpose of inspecting of the assets.

The landlord has refused to provide access for the following reasons:

1. 2161169 Ontario Limited operating as Metro Connect was the Tenant under the lease and not the Company;
2. The Landlord through its Counsel are not sure how the Order of the Honourable Justice Wilton-Siegel dated April 4, 2024 can be enforced against the Landlord given that the Company and the landlord and the tenant are not one and the same person.
3. It's the landlord's position that paragraphs 6.02, 9.05 and 9.06 gives the Landlord the right to possess, retain and sell its tenant's property and I don't see how the Order of the Honourable Justice Wilton-Siegel dated April 4, 2024 can be used to prevent my client from retaining the property. My client's tenant owes over \$200,000.00 in unpaid rent, as per the attached statement.

The LIT has been provided sufficient documentation to support that the equipment is owned by the Company, such documentation to include copies of invoices to support the purchase of the equipment; confirmation that the Company operated its head office from the lease space; copy of a Decision Order issued by the Ministry confirming who had ownership to the assets. Requests have been made by the Receiver for a detailed reporting on whether an Appraisal has been conducted the Landlord and whether the Landlord acting upon his Notice of Distress. All of which have been ignored.

Numerous attempts have been by the Receiver to inspect the assets, again our attempts to conduct a walk thru to inspect the assets have been denied. In our latest communication, the Landlord provided photos of the equipment that he claims remains on site based on his review of the documentation provided by our Offices.. We provided a detailed analysis of our findings and further requested a walk thru of the lease space in addition to a response to the numerous concerns and questions reported by the Receiver. It is fair to report the Landlord has chosen to not comply with the Court Order and were put on notice by the Receiver that they will be held accountable for their actions.

### **SHAREHOLDERS LIST**

The Receiver was successful in gathering a list of shareholders, amount of shares issued to each shareholders along with names and emails. The Receiver will provide a copy of the Order to all known shareholders.

### **ACTION PLAN MOVING FORWARD**

The Receiver intends

- 1) Write to Symon Zucker Professional Corporation . Mr. Zucker was Counsel for the Company. We will be requesting copies of all Company records and files for our review and investigations. It is our understanding that Mr. Zucker may be in possession of or is aware of the whereabouts of the Company's computers along with its former staff members;



**t:** (905) 503-3328  
(888) 552-5087

**f:** (905) 503-2338

78 Wellington Street E.  
Aurora, ON L4G 1H8

**Joanne Russo, CIRP**  
**Licensed Insolvency Trustee**  
President

**c:** (416) 723-5232

**t:** (905) 503-3328 ext. 101

**e:** russo@russocanhelp.com

- 2) Write to Dentons, Vancouver Location with respect to obtaining corporates records in addition to an update share registry;
- 3) Write to David Hendricks from the Securities Commissions with respect to any exemptions filed with Securities commission , analysing the Shareholders Registry reported and filed;
- 4) Write to Matt Zambri, requesting copies of all documentation with respect to files in his possession pertaining to syndications on US Spectrum licenses. Copies of any documentation in his possession pertaining to Robert Musolino, Michael Musolino, Jonathan Keene, Norman Brown, Michael Silverman and Mark Cohen pertaining to wire transfers made by Darren between multiple parties and accounts North and South of the border;
- 5) Write to Contact Radio Mobile and Trimani's with respect to the Company's ownership in same.

## **CONCLUSION**

Already, this early in this investigation this has proven to be very complex. We are not convinced that the parties involved are being honest with us. We will be exploring with the Applicants the need to return to Court and obtain the necessary Orders to compel all parties to turn over company assets and books and records.

DATED at Aurora, Ontario this 7<sup>th</sup> day of May 2024.

Russo Corp. In its Capacity as Investigatory and Possessory Receiver over the assets and undertaking of IOTICITI NETWORKS INC.

---

Per: Joanne Russo, CIRP, LIT