

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

**GROSVENOR PARK MEDIA FUND L.P.**

Plaintiff

- and -

**ARC PRODUCTIONS LTD., ARC HOLDINGS INC., ARC INVESTMENTS LTD.,  
ARC/DARK CRYSTAL PRODUCTIONS INC., KICK PRODUCTIONS LTD., IN THE  
JUNGLE PRODUCTIONS INC., TF I PRODUCTIONS INC., BL II PRODUCTIONS  
INC., ARCADIA PRODUCTIONS LTD., EGGS LTD., PRINCESS PRODUCTIONS  
INC., UNDERZOO PRODUCTIONS INC., HOLE IN THE BELLY PRODUCTIONS  
LTD., SIR SIMON PRODUCTION LTD., SAMURAI PRODUCTIONS LTD., THOMAS  
MURRAY, KALLAN KAGAN and PETER KOZIK**

Defendants

**ELEVENTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.**  
(January 10, 2019)

1. This report is filed by Deloitte Restructuring Inc. (the “Receiver”) in its capacity as receiver of the assets, properties and undertakings of Arc Productions Ltd. and the other corporate Defendants (collectively, “Arc” or the “Company”) and the other Property as defined in the Receivership Order granted by the Honourable Mr. Justice Penny on Wednesday, August 10, 2016 (the “Receivership Order”).
2. The Receiver has prepared this eleventh report (the “Eleventh Report”) in its capacity as a Court-appointed officer solely for the purpose outlined herein. Parties using the Eleventh Report, other than for the purpose outlined herein, are cautioned that it may not

be appropriate for their purposes. Unless otherwise provided, all dollar amounts contained in this Eleventh Report are expressed in Canadian Dollars. Unless otherwise provided, all other capitalized items not otherwise defined in this Eleventh Report are as defined in the First through Tenth Reports.

**C. Purpose of the Report**

3. The Receiver has prepared this Eleventh Report to advise the Court and the Service List of the Receiver's intention to make a further distribution of \$1,575,000 to Grosvenor Park Media Fund L.P ("GP") from available funds on hand, and to report on the source of these funds.

**D. April 18, 2017 Distribution Order**

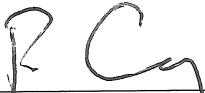
4. Attached as Appendix "A" is the Distribution Order of the Ontario Superior Court of Justice (Commercial List) dated April 18, 2017 (the "Distribution Order"). Paragraph 4 of the Distribution Order provides that "subject to paragraph 5 of this Order, the Receiver be and is hereby authorized to distribute to GP from time to time all funds coming into its hands, subject to such reserves as the Receiver may deem prudent in the circumstances, up to the amount of \$43,953,400". Paragraph 5 of the Distribution Order states that "any distributions by the Receiver hereunder of proceeds of the realization or collection of tax credits of Arc, where the Receiver has notice of the interests of parties other than GP claiming ownership, security interests, or both in such tax credits or their proceeds, shall only be made upon further Order of the Court on notice to GP and to such other parties".

5. As at January 8, 2019, the Receiver has distributed \$16,091,807 to GP. Following the further distribution of \$1,575,000 as notified herein, cumulative distributions to GP will be \$17,666,807.
6. Attached as Appendix “B” is the Receiver’s Statement of Receipts and Disbursements for the period from August 2, 2016 to January 8, 2019 which indicates that there are available funds on hand for a further distribution to GP of \$1,575,000.
7. The source of funds for this recommended distribution are film tax credit recoveries from Arc’s affiliated companies as well as post-receivership HST recoveries. Since the Tenth Report, the Receiver has received tax credits for the following fiscal years and ARC affiliates; 2015 and 2016 for Eggs Ltd.; 2015 and 2016 for In the Jungle Productions Inc.; and 2016 for BL II Productions Inc. Total film tax credits received to January 8, 2019 by the Receiver, net of amounts withheld for various deductions and penalties, are \$18,770,182 and are detailed on the attached Appendix “C”.
8. After due consideration of the source of the funds for this proposed distribution, the Receiver is not aware of any party who may have a claim to these proceeds in priority to the interests of GP either as an owner or secured creditor. Notwithstanding, the Receiver has prepared, served and filed this Eleventh Report to notify the Service List of its intention to make this distribution on January 25, 2019 or immediately thereafter in accordance with the Distribution Order.

All of which is respectfully submitted at Toronto, Ontario this 10<sup>th</sup> day of January, 2019.

**Deloitte Restructuring Inc.,**  
in its capacity as Court-appointed Receiver of  
Arc Productions Ltd. et al and not in its personal capacity

Per:

  
\_\_\_\_\_  
Paul M. Casey, CPA, CA, FCIRP, LIT  
Senior Vice-President

# Appendix "A"

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

THE HONOURABLE

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TUESDAY, THE

JUSTICE NEWBOULD

18<sup>TH</sup> DAY OF APRIL, 2017



**GROSVENOR PARK MEDIA FUND L.P.**

**Plaintiff**

-and-

**ARC PRODUCTIONS LTD., ARC HOLDINGS INC., ARC INVESTMENTS LTD., ARC/DARK CRYSTAL PRODUCTIONS INC., KICK PRODUCTIONS LTD., IN THE JUNGLE PRODUCTIONS INC., TF I PRODUCTIONS INC., BL II PRODUCTIONS INC., ARCADIA PRODUCTIONS LTD., EGGS LTD., PRINCESS PRODUCTIONS INC., UNDERZOO PRODUCTIONS INC., HOLE IN THE BELLY PRODUCTIONS LTD., SIR SIMON PRODUCTION LTD., SAMURAI PRODUCTIONS LTD., THOMAS MURRAY, KALLAN KAGAN and PETER KOZIK**

**Defendants**

**DISTRIBUTION ORDER**

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed Receiver (in such capacity, the "Receiver"), without security, of all the assets, undertakings and properties (collectively, the "Property") of Arc Productions Ltd. and its subsidiaries and affiliates, which consist of the other corporate defendants described in the title of proceedings (collectively, "Arc") for an Order approving the activities of the Receiver since December 5, 2016 as set out in the Fifth Report of the Receiver dated March 27, 2017 (the "Fifth Report"), approving the fees of the Receiver for the period from November 1, 2016 to February 28, 2017 and the fees of the Receiver's legal counsel for the same period, and authorizing the Receiver to make distributions to Grosvenor Park Media Fund, from time to time, subject to the

terms and conditions set out in the herein Order, was heard this day at at 330 University Avenue, Toronto, Ontario.

ON READING the Fifth Report and the affidavits of the Receiver and its counsel as to fees, and on hearing the submissions of counsel for the Receiver and of the Plaintiff, no one else appearing although properly served as appears from the affidavit of Mario Forte, sworn March 23, 2017, filed:

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

#### **APPROVAL OF FEES AND ACTIVITIES**

2. **THIS COURT ORDERS** that the activities of the Receiver and its counsel since December 5, 2016, as set out in the Fifth Report, are hereby approved.

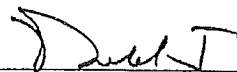
3. **THIS COURT ORDERS** that the fees of the Receiver and its counsel for the period from November 1, 2016 to February 28, 2017, as set out in the Fifth Report, are hereby approved.

#### **DISTRIBUTIONS**

4. **THIS COURT ORDERS** that, subject to paragraph 5 of this Order, the Receiver be and is hereby authorized to distribute to Grosvenor Park Media Fund L.P. ("GP") from time to time all funds coming into its hands, subject to such reserves as the Receiver may deem prudent in the circumstances, up to the amount of \$43,953,400, without further Order of this Court.


5. **THIS COURT ORDERS** that, notwithstanding paragraph 4 hereof, any distributions by the Receiver hereunder of proceeds of the realization or collection of tax credits of Arc, where the Receiver has notice of the interests of parties other than GP claiming ownership, security

interests, or both in such tax credits or their proceeds, shall only be made upon further Order of the Court on notice to GP and to such other parties.



ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

APR 18 2017

PER / PAR: 



**GROSVENOR PARK MEDIA FUNDS L.P.**  
Plaintiff

v

**ARC PRODUCTIONS LTD. et al.**  
Defendants

Commercial List File No. CV-16-11472-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceedings commenced at  
Toronto

**DISTRIBUTION ORDER**

**GOLDMAN SLOAN NASH & HABER LLP**  
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TORONTO, ON M5G 1V2

**Mario Forte** (LSUC #: 27293F)  
**Lori Goldberg** (LSUC #58581V)  
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Lawyers for Deloitte Restructuring Inc.

# Appendix “B”

**Appendix "B"**

**In the Matter of the Receivership of Arc Productions Ltd. ("Arc")  
Statement of Receipts and Disbursements  
For the period from August 2, 2016 to January 8, 2019**

<b>Description</b>	<b>Amount</b>
<b>Receipts</b>	
Cash on hand and sale proceeds	\$ 2,197,736
Film tax credits recoveries net of CRA set-off, per "Appendix C"	18,770,182
Total receipts to date	20,967,917
<b>Disbursements</b>	
WEPP payments (Section 81.4 Claims)	1,068,875
Receiver's fees	736,119
Receiver's legal counsel fees	185,093
Contract employees and third party professionals	477,636
Operating expenses	221,635
Occupation rent	155,990
Tax credits filing and application fees	71,682
HST paid post-receivership, net of refunds	39,367
Total disbursements to date	2,956,398
<b>Surplus of receipts over disbursements before distributions to secured creditor</b>	<b>\$ 18,011,521</b>
Distributions to Secured Creditor	16,091,807
<b>Excess of Receipts over Disbursements</b>	<b>\$ 1,919,713</b>
<b>Less Accruals:</b>	
Holdback for fees, costs, and expenses	(344,713)
<b>Net amount available for seventh distribution</b>	<b>\$ 1,575,000</b>

# Appendix "C"

**In the matter of the Receivership of Arc Productions Ltd.**  
**Schedule of Film Tax Credits Received**  
**For the period from August 2, 2016 to January 8, 2019**

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>
TF I Productions Inc.	2014	Thomas & Friends 17 & 18	PSTC	75,745
			OPSTC	242,198
			OCASE	147,040
		Thomas & Friends 19	PSTC	360,825
			OPSTC	1,120,374
			OCASE	753,684
		Accrued Interest		49,865
	2015	Thomas & Friends 19	PSTC	220,077
			OPSTC	638,483
		Thomas & Friends 20	PSTC	348,231
			OPSTC	874,225
		Accrued Interest		18,332
2016	Thomas & Friends 20	PSTC	237,066	
		OPSTC	612,735	
	Thomas & Friends 21	PSTC	46,501	
		OPSTC	118,818	
	Accrued Interest		9,696	
			Entity Total	5,873,896
Eggs Ltd.	2015	Ice Age Holiday Special	PSTC	45,371
			OPSTC	118,248
		Accrued Interest		521
		Transitional Grant		106,152
	2016	Ice Age Easter Television Special	PSTC	268,756
			OPSTC	652,078
	Accrued Interest		13,340	
			Entity Total	1,204,466
ARC Productions Ltd.	2012	Matt Hatter 1	OPSTC	205,902
			13 Projects	OCASE
		Accrued Interest		870
	2014	Somnia	PSTC	116,443
			OPSTC	409,670
		Accrued Interest		9,160
	2015	Lego Marvel 2	OPSTC	371,491
	Accrued Interest		3,904	
			Entity Total	2,098,147

**In the matter of the Receivership of Arc Productions Ltd.**  
**Schedule of Film Tax Credits Received**  
**For the period from August 2, 2016 to January 8, 2019**

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>	
BL II Productions Inc.	2014	Barbie's Life 4	PSTC	182,728	
			OPSTC	483,793	
			OCASE	220,037	
			Barbie's Life 5	PSTC	145,701
				OPSTC	432,654
				OCASE	212,337
			Barbie DVD 2015	PSTC	313,553
				OPSTC	923,251
				OCASE	476,774
			Accrued Interest		68,593
	2015		Barbie DVD 2015	PSTC	96,418
				OPSTC	298,828
				OCASE	153,669
			Max Steel	PSTC	222,594
				OPSTC	637,689
				OCASE	306,810
			Barbie DVD Floating 2016	PSTC	47,640
				OPSTC	112,998
				OCASE	59,862
			Barbie DVD Fall 2016	PSTC	166,991
				OPSTC	468,287
				OCASE	217,264
			Accrued Interest		32,123
2016		Max Steel	PSTC	143,028	
			OPSTC	363,282	
		Barbie Floating 2016 DVD	PSTC	1,010	
		Barbie DVD Fall 2016	PSTC	208,114	
			OPSTC	525,056	
		Accrued Interest		29,609	
			Entity Total	7,550,694	
In the Jungle Productions Inc.	2015	Tarzan and Jane	PSTC	6,647	
			OCASE	7,367	
	2016	Tarzan and Jane	PSTC	250,402	
			OPSTC	610,003	
				OCASE	296,882
			Accrued Interest		12,947
			Entity Total	1,184,248	

**In the matter of the Receivership of Arc Productions Ltd.**  
**Schedule of Film Tax Credits Received**  
**For the period from August 2, 2016 to January 8, 2019**

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>
Kick Productions Ltd.	2016	Kody Kapow	OPSTC	301,852
		Accrued Interest		331
			Entity Total	302,183
Princess Productions Inc.	2016	Elena	PSTC	675,086
			OPSTC	1,336,485
		Accrued Interest		6,071
			Entity Total	2,017,642
Tax credits received to date				19,869,760
Accrued interest and other receipts to date				361,516
<b>Total processed and received to date</b>				<b>20,231,276</b>
Tax credit remittance to CRA, February 28, 2018				(11,447)
CRA set-off for HST owings as at July 31, 2016				(24,843)
CRA set-off for source deductions and penalties				(1,424,804)
<b>Net tax credits received to date, January 8, 2019</b>				<b>18,770,182</b>

GROSVENOR PARK MEDIA FUND L.P.

**Plaintiff**

and

ARC PRODUCTIONS LTD., et al. Court File No. 16-CV-11472-00CL

Defendants

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

Proceeding commenced at Toronto

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**ELEVENTH REPORT OF THE RECEIVER**  
**(January 10, 2019)**

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