

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

**SECOND REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.**
(August 16, 2016)

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. In preparing this Second Report, the Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, the Company’s books and records, discussions with former management of the Company, and information from

third-party sources (collectively, the “**Information**”). Except as described in this Second Report:

- (a) the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- (b) the Receiver has prepared this Second Report in its capacity as a Court-appointed officer to support the Court’s approval of the relief being sought. Parties using the Second Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.

B. Sealing of the First Confidential Supplement

3. The Receiver will provide the First Confidential Supplement to the Court in advance of the hearing for the approval of the sale transaction described later in this Second Report and request that the First Confidential Supplement remain under seal (the “First Sealing Order”) unless otherwise ordered by the Court, to avoid any negative impact that could result from the dissemination of the information contained therein. The First Confidential Supplement is being provided to the Court and to the Lender (defined hereafter) and no other party. The First Confidential Supplement contains sensitive information pertaining to transactions which have not yet closed. Should any of these transactions fail to close, then the disclosure of this information may hamper efforts to

remarket the corresponding assets or to sell other assets for the best possible price in the circumstances. Further, the Receiver believes that such disclosure may also hamper the Purchaser's (as hereafter defined) efforts to recommence the business of Arc in the ordinary course.

4. Any interested party may apply, on notice to the Receiver, to vary the terms of the First Sealing Order or to unseal the First Confidential Supplement.

C. Purpose of the Report

5. Deloitte Restructuring Inc. was appointed Interim Receiver of Arc on July 29, 2016 (the "Interim Receiver") and Receiver of Arc on August 10, 2016. The Receiver files this Second Report to report on the following issues and support the Receiver's recommendation that the Court provide the relief sought:

- (a) the financial position of Arc as of July 31, 2016;
- (b) the activities of the Interim Receiver and the Receiver since August 2, 2016 in respect of administering these receivership proceedings;
- (c) the sales process undertaken by the Interim Receiver for the sale of some or substantially all of the business of Arc and the execution of the letter of intent agreement with Boat Rocker Media Inc. (the "Purchaser");
- (d) the Receiver's future activities required in respect of administering these receivership proceedings;

- (e) the statement of receipts and disbursements to date;
- (f) the fees of the Receiver and its legal counsel; and,
- (g) the Receiver's recommendations to the Court.

D. Background

6. Arc is a corporation incorporated under the laws of Ontario. Arc has its head office in Toronto, Ontario. Arc is in the business of providing animation and computer graphic services to the film and television industry. Prior to the Interim Receivership, Arc had approximately 550 full time and contract employees.
7. Each of the other corporate defendants (the "Corporate Guarantors") has its head office in Toronto, Ontario, and each is a subsidiary and/or affiliate of Arc.
8. Thomas Murray, Kallan Kagan and Peter Kozik, are the only shareholders of Arc Investments Ltd., the ultimate indirect parent of Arc. The Receiver understands that Murray, Kagan and Kozik have resigned as Directors of Arc.
9. On Friday, July 29, 2016, the Plaintiff, Grosvenor Park Media Fund L.P. (the "Lender"), brought a motion seeking the appointment of an Interim Receiver over Arc and certain other property. That motion was granted by the Honourable Mr. Justice Wilton-Siegel and the Interim Receiver was appointed pursuant the Interim Receivership Order dated July 29, 2016 (the "Original Interim Receivership Order"). Pursuant to the endorsement accompanying the Original Interim Receivership Order, the fact of the receivership order

was to remain confidential and the Interim Receiver was not to implement the powers provided to it pending a return conference on August 2, 2016.

10. On Tuesday, August 2, 2016, the Lender sought and obtained the (fresh) Interim Receivership Order.
11. Pursuant to paragraph 14 of the Interim Receivership Order, the employment of all of the employees of Arc was terminated. The operations of Arc in the ordinary course ceased prior to the opening of business on August 2, 2016.
12. On Wednesday, August 10, 2016, the Receivership Order was granted by the Honourable Mr. Justice Penny.

E. Financial Position of Arc as of July 31, 2016

13. Arc's unaudited balance sheet as of June 30, 2016, attached as Appendix "A", shows a deficit of approximately \$32.9 million.
14. As of June 30, 2016, Arc's reported working capital was approximately negative \$56.4 million and the deficit of total assets to total liabilities was \$23.7 million.
15. The largest asset of the Company is the filed and unfiled tax credits recoverable from the Canada Revenue Agency ("CRA") of \$32.7 million pursuant to Arc's borrowing base certificate filed with the Lender on July 20, 2016. The Receiver has made arrangements for the compilation of data and filing of the Ontario Computer Animation & Special Effects ("OCASE"), Ontario Production Services Tax Credit ("OPSTC") and Provincial Services Tax Credit ("PSTC") tax credits for the periods up to July 31, 2016.

16. Arc does not own any of its own productions or other IP and operated solely as an animation house for other studios. The Receiver estimates that over 80% of the book value of its capital assets (per Arc's June 30, 2016 unaudited balance sheet) were leased from third parties and we are advised that the owned equipment is older and depreciated.
17. The Company had approximately \$2.9 million in accounts receivable as of June 30, 2016. These accounts receivable are related to productions in process and due to the cessation of operations and the receivership proceedings, these customers are unlikely to settle the invoiced amounts owing.
18. The Company had 11 projects currently in production immediately prior to the Receivership. Of the 11 projects, the remaining contract revenues for 5 were insufficient to fund estimated future costs. At least one of the contracts had urgent delivery deadlines which were at risk of being missed.
19. As described in the Affidavit of Donald Starr sworn July 29, 2016 which supported the initial application for the appointment of the Interim Receiver, the Lender and Arc entered into a Credit Agreement dated as of December 10, 2015 (the "Credit Agreement"). Pursuant to the Credit Agreement, the Lender agreed to advance up to US\$45,326,500 to Arc through various tranches. This total amount was later increased to an aggregate total of US\$49,326,500. The Receiver understands that the total indebtedness owing to the Lender as of the date of the Receivership Order is approximately CAN\$40.0 million before unpaid interest, fees and costs. Further, and as set out in the First Report of Deloitte Restructuring Inc. in this matter dated August 8,

2016, the Receiver is advised by its independent legal counsel, Goldman Sloan Nash & Haber LLP, that the Lender has valid and enforceable first-ranking security over all of the assets of Arc.

20. Arc currently has approximately \$6.5 million owing as accounts payable, of which approximately \$2.3 million is aged over 90 days (separate and apart from the approximately \$40.0 million currently owing to Grosvenor).
21. Arc is a party to various equipment leases and licensing agreements. Three of the most critical lessors are NFS Leasing Inc. (“NFS”), Scalar Decisions Inc. (“Scalar”) and Hewlett-Packard Financial Services Canada Company (“HP”). Total arrears for these three parties alone exceeded \$1.8 million.
22. Arc is in arrears of its rent obligations on its office leases for 134 Peter Street and 364 Richmond Street West in Toronto, Ontario (the “Premises”) and owes its landlord approximately \$544,000 in respect of rent for the months of June and July, 2016.
23. Arc commenced its move into the Premises in early 2016. Arc owes approximately \$2 million for leasehold improvements it recently made to the Premises, but has defaulted on its agreed payment plan with the contractor, and as a result, a construction lien has been registered against Arc and the Premises by the contractor.
24. Arc owes its employees three weeks of salary and wages for the period immediately preceding the Interim Receivership, plus vacation pay, termination and severance

entitlements, and outstanding expenses. In addition, Arc owes approximately \$1.3 million in respect of unpaid payroll withholding taxes.

25. Arc is in arrears and owes Scalar approximately \$1.6 million for lease arrears, rendering and data services (which services are a critical part of the animation process).
26. Arc was unable to meet its obligations as they came due and specifically, was unable to meet its bi-weekly payroll obligation to its employees to be paid on Friday, July 29, 2016. As a result, the shareholders of Arc locked out their employees prior to the commencement of business on Tuesday, August 2, 2016.
27. It is the Receiver's opinion that the recovery from the assets of the estate will not be sufficient to retire the secured indebtedness of the Lender resulting in no recoveries to the unsecured creditors.

F. Activities of the Interim Receiver and the Receiver Since August 2, 2016

28. Immediately following the (fresh) Interim Receivership Order, the Interim Receiver attended at the Premises and took possession of the Company's assets located there. All access to the Premises was restricted to the Interim Receiver and contractors retained by the Interim Receiver. Access from non-authorized external users to Arc's computer systems was restricted. Digital imaging and backup for certain of Arc's computer systems are complete with the remainder in progress and due to be completed shortly. Arc also leased an office in Los Angeles, California with four employees. The Receiver

had contacted the manager of this office and advised him of the receivership and the cessation of the operations of Arc.

29. The Interim Receiver negotiated the retention of key human resources and finance staff to assist with the preparation, data compilation, communication and distribution of Records of Employment (“ROE”), Wage Earner Protection Program (“WEPP”) information, Proofs of Claim, and 2016 T4s.
30. On August 2, 2016, the Interim Receiver communicated with all employees concurrently via email, social media and regular mail advising of the receivership, the Interim Receiver’s website for access to information (www.deloitte.com/ca/insolvencies), that the Interim Receiver would be preparing their ROE and WEPP information, requesting address change information, and setting out an organized schedule and procedure for employees to attend to collect their personal belongings from their workstations.
31. All ROEs were mailed on or before Monday, August 8, 2016.
32. All WEPP info packages were mailed on or before Thursday August 11, 2016. This package consisted of a cover letter with detailed instructions for employees on how to file their WEPP claim, the Government of Canada WEPP Employee Information Summary of Questions and Answers personalized for each employee, and a completed Proof of Claim Form for each specific employee. The individual’s Proof of Claim Form 31 with supporting Schedule A was calculated and populated with the specific wage and other amounts owing to each employee from the books and records of Arc.

33. Canada Revenue Agency T4 slips were mailed to employees on Friday, August 12, 2016.
34. The Receiver believes that the large majority of employees have now retrieved their personal belongings from the Premises. The Receiver will of course accommodate remaining requests to recover personal belongings while it remains in possession of the Premises.
35. The Receiver has updated employee address and email information and has responded to employee inquiries as they were received. Further, the Receiver's website contains a special section entitled "Information for Former Employees – Notices and Forms", which includes copies of the WEPP instructional cover letter, a blank Proof of Claim Form, and contact information in the event that employees could not readily access their Canada Post mail.
36. During the interim receivership and receivership proceedings, the Interim Receiver and Receiver received communications from customers requesting the termination of Production Services Agreements ("PSAs") with Arc and the return of their digital property. The Receiver has advised such parties of the stay of proceedings that prevents the termination of any agreements. The Receiver has made arrangements with two parties for the urgent return of work in progress for episodes due for delivery in the near term.

G. Sales Process

37. Immediately following its appointment pursuant to the (fresh) Interim Receivership Order, the Interim Receiver made efforts to identify which of Arc's contracts are most likely to generate realizations, and which contracts are at most risk of having their value deteriorate as a result of delays in production, loss of talent, etc. (the "Key Contracts"). The Interim Receiver was also in contact with customers who are parties to the Key Contracts and advised them that the Interim Receiver was collecting information regarding the current productions of Arc, including the production agreements, status of work, milestone deliverables, revenues and costs for the purpose of assessing whether further work can be delivered for the benefit of the estate.
38. The Interim Receiver communicated with parties that have expressed interest in carrying on certain of the business and projects of Arc. Due to the urgency of the situation created by the fact that work on all ongoing productions was halted on the morning of August 2, 2016, the Interim Receiver advised interested parties that it had established a deadline of noon (eastern) on Monday, August 8, 2016 for the submission of letters of intent to the Interim Receiver which should include details of:
- The specific assets of the business of Arc to be purchased or assigned
 - The conditions associated with such offer including third party consents
 - The cash and other consideration to be received by the Interim Receiver
 - Deposit to be posted upon execution of a binding agreement
 - Expected closing date

- Evidence of financial ability to close the transaction
39. The Interim Receiver advised these parties that it was under no obligation to accept any offer, and any offer that may be negotiated by the Interim Receiver would be conditional on execution of an acceptable agreement of purchase and sale and approval of the Court.
 40. The tax credits recoverable of \$32.7 million were not offered for sale.
 41. Following its appointment, the Interim Receiver responded to inquiries from 21 prospective purchasers and provided them with the process timeline and form of non-disclosure agreement (“NDA”) prepared by the Interim Receiver’s independent legal counsel. Almost all of the interested parties requested amendments to the NDA and we resolved most of these requested amendments. 14 parties executed an acceptable NDA and were given access to a data room set up by the Interim Receiver. Site visits were conducted by 3 parties or their representatives. 5 parties submitted letters of intent with varying attributes and timelines. A summary of the bids received by August 8, 2016 is presented in the First Confidential Supplement.
 42. From its work for the Lender prior to the interim receivership and since its appointment, the Interim Receiver determined that in order to preserve and maximize value, the sale or assignment of the Key Contracts and other contracts must be concluded in the immediate term. Accordingly, the short sale process outlined above was established to identify and organize the interest of prospective purchasers. Major considerations taken into account in establishing the sale process were:

- (a) *Intangible nature of the assets offered for sale* – As stated above, Arc does not own any of its own productions or other IP and operated solely as an animation house providing services for other studios. Accordingly, the primary asset and undertaking being offered to prospective purchasers was a “window” to negotiate with customers, suppliers, lessors, the landlord and former employees to create a business plan to carry on all or parts of the pipeline and facilities of Arc. Arc in its prior form incurred substantial losses and created an unrecoverable deficit on its balance sheet. Any attempt at a normalized EBITDA valuation could not result in a positive going-concern enterprise value. Further, as noted above, many of Arc’s current projects had received funding to date in excess of the deliverables to date, such that completing those projects for the studios as contracted would generate losses for any successor. Accordingly, parties looking at the opportunity would need to immediately assess the current pipeline of projects and estimate the direct and overhead costs of attempting to complete certain projects in order to negotiate new arrangements with the studio counterparties. It is our understanding that the PSAs require the consent of the producers to any assignment/outourcing of the animation work. Once negotiations with the desired studios were satisfactorily advanced, a purchaser would then need to negotiate future arrangements for labour, facilities, equipment leases and other key inputs. Further, such an opportunity would only be of interest to an existing animation industry participant, and preferably one with a permanent establishment Canada and a Canadian taxable company in order to take advantage of federal and provincial tax credit incentives.
- (b) *Employees* - One of the key factors to preserving value in the Key Contracts and other contracts was ensuring that the employees who were working on the projects would be available to continue to work on such

projects, thus ensuring that artistic continuity is preserved, duplicative costs and expenses minimized or avoided, and better ensuring that the immediate and mid-term production deadlines can be met. As noted above, Arc ownership had locked out its employees prior to the commencement of business on Tuesday, August 2, 2016 and left them with three weeks of unpaid wages. Accordingly, unless the Receiver could advise the former employees that a successor operator of the business had been secured, no assurance of any future employment at Arc could be given. Further, the Receiver is aware that a number of the key employees have already attended job interviews and received offers of employment from third parties, and that “Job Fairs” were being hosted by competing studios to attract Arc’s displaced animators and staff. In order to ensure that the key employees could be available to work on Arc’s projects and accept employment offers from any purchaser of Arc’s assets, it was necessary to quickly conclude a sale process which might see the sale and assignment of the Key Contracts and other contracts.

- (c) *Customers* - Since its appointment, the Receiver has been contacted by certain customers with concerns over their ability to meet delivery deadlines due to production delays caused by Arc. As a result, certain customers have insisted on contract termination and retrieval of their digital property from Arc. The Receiver responded where necessary by notifying certain customers of the stay of proceedings which effectively prevents termination of any agreements with Arc. Further, the Receiver had advised certain customers that parties had expressed interest in carrying on certain of the business and projects of Arc and that the Receiver would be working with these parties as quickly as possible to further their interests in any transaction. However, time was of the essence in concluding the sales process as certain customers advised that

they would seek urgent relief from the Court if their request for the return of their digital property was delayed any further.

(d) *Critical suppliers* – A prolonged sales process would cause critical suppliers to consider other actions to mitigate their damages, including application to the Court to have the stay of proceedings lifted. Critical suppliers/lessors at the time of the cessation of business included:

- Allied REIT (“Allied”), landlord – owed \$544,000 (2 months plus other charges)
- Scalar - owed \$1,575,000
- HP – owed \$171,000
- NFS - owed \$75,000

(e) *Occupancy and other costs* - A prolonged sales process will result in increased occupancy and other costs for the Receiver and resulting reduced recoveries to the estate. The estimated occupancy cost per month to third parties, excluding receiver and legal fees, exceeds \$600,000.

43. The insolvency of Arc was very public from the outset. All potential interested purchasers previously contacted by Arc’s ownership were contacted, and even if time permitted a longer sale process, the Receiver is of the opinion that a broader advertising of the opportunity would not have identified further parties who could have undertaken such a transaction for all of the reasons outlined above. From the nature and diversity of the letters of intent received, the Receiver believes that the market was sufficiently aware of this unique opportunity. A schedule comparing the letters of intent received has been prepared by the Receiver and is included in the First Confidential Supplement.

44. Following review and analysis of the letters of intent received and consultation with the Lender and legal counsel, the Interim Receiver proceeded with the transaction proposed

by Boat Rocker Media Inc., to be assigned to its subsidiary, Jam Filled Entertainment (Toronto) Inc. (“Jam Filled”).

45. The Interim Receiver executed a conditional letter of intent agreement with the Purchaser on August 9, 2016 (the “LOI”). The LOI included a condition in favour of the Purchaser for satisfactory completion of due diligence by 11:59pm on August 12, 2016. The Purchaser waived this condition on August 12, 2016. The Receiver and Jam Filled have since negotiated a satisfactory Asset Purchase Agreement (“APA”) which is conditional on approval of the Court. A copy of the LOI and the APA are included in the First Confidential Supplement.

46. The Receiver is strongly of the opinion that the APA with Jam Filled represents the best transaction for the stakeholders of Arc, including the Lender, customers, employees, lessors, key suppliers and the landlord. The APA is targeted to close on Friday, August 19, 2016. The Receiver recommends that the Court approve the APA and that the Receiver do all such further acts and things and execute and deliver all such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the sale transaction with Jam Filled.

H. Future Receivership Activities

47. Following the closing of the Jam Filled sale transaction (if approved by the Court), the Receiver will work to facilitate the transfer of ownership of assets to Jam Filled and subsequent exit of the remainder of the Premises not being assumed under the proposed transaction (being the three floors on 134 Peter Street). Leased assets not assigned to Jam

Filled will be returned to their respective lessors (ie. where arrangements with Jam Filled have not been reached). The Receiver will also negotiate Transfer agreements with owners of digital property where such customers have not entered into other arrangements with Jam Filled.

48. The Receiver will take such steps as are required to collect tax credits and complete the administration of the OCASE, OPSTC and PSTC filings.
49. The Receiver will complete the filing of corporate and HST tax returns.
50. The Receiver will make further applications to the Court for approval of distributions of net realizations from the assets of the estate which are surplus to the future administration costs of the estate.

I. Statement of Receipts and Disbursements

51. The actual receipts and disbursements of the Receiver up to and including August 12, 2016 are summarized in the Receiver's Statement of Receipts and Disbursements attached to this Second Report as Appendix "B". As at August 12, 2016, there is a surplus of receipts over disbursements, before accrued receivership liabilities, of \$1,549,000.

J. Fees of the Receiver and its Legal Counsel

52. Professional fees and disbursements charged by the Receiver in relation to the administration of the receivership for the period to August 5, 2016 were \$92,986

(excluding HST). A copy of the Receiver's account for this period is included in the affidavit of Paul Casey sworn August 15, 2016 and is attached here as Appendix "C".

53. Professional fees and disbursements charged by Goldman Sloan Nash & Haber LLP ("GSNH"), independent legal counsel to the Receiver, for the period to August 5, 2016 were \$28,182 (excluding HST). A copy of GSNH's account for this period is included in the affidavit of Mario Forte sworn August 16, 2016 and is attached here as Appendix "D".

K. Recommendation

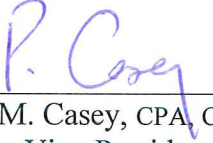
54. The Receiver recommends that the Court make an order:
- (a) Approving of the Jam Filled sale transaction for the following reasons:
 - (i) The Receiver believes that the assets have been sufficiently exposed to the market to ensure that interested parties were made aware of and had the opportunity to participate in the sale process;
 - (ii) Of the offers received from the Receiver's sale process, the Jam Filled LOI was the most advantageous to the stakeholders of Arc with respect to the amount and nature of the consideration offered, the conditions included, and the timetable for the proposed transaction;
 - (iii) The Receiver has discussed the details of the Jam Filled transaction with the Lender and the Lender has approved the transaction; and
 - (iv) The Receiver believes that the Jam Filled transaction is the best opportunity to create value for the stakeholders from this rapidly depreciating asset.

- (b) Approving of the First Sealing Order with respect to the First Confidential Supplement;
- (c) Approving the reported actions of the Interim Receiver and the Receiver since August 2, 2016 to date in administering these receivership proceedings; and
- (d) Approving of the fees of the Interim Receiver and its legal counsel for the period to August 5, 2016.

All of which is respectfully submitted at Toronto, Ontario this 16th day of August, 2016.

Deloitte Restructuring Inc.,
solely in its capacity as the
Court-appointed receiver of
Arc Productions Ltd.

Per:



Paul M. Casey, CPA, CA, CIRP
Senior Vice-President

**SECOND REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.
(August 16, 2016)**

Appendix "A"

Arc Productions Ltd.

Balance Sheet (DRAFT)

June 2016

Assets

Current assets

| | |
|---|------------------|
| Cash | 56,550 |
| Accounts receivable | 2,874,935 |
| Short term film tax credits recoverable | 2,738,937 |
| Prepaid expenses and deposits | 661,748 |
| | <u>6,332,170</u> |

Long -Term Assets

| | |
|--|-------------------|
| Long term film tax credits recoverable | 30,097,956 |
| Investment in production and development | 730,573 |
| Property & Equipment | 5,049,910 |
| Deferred loan costs | 778,234 |
| Other assets | 202,888 |
| | <u>36,859,561</u> |
| Total Assets | <u>43,191,731</u> |

Liabilities & Shareholders' Equity

Current Liabilities

| | |
|--|-------------------|
| Accounts payable and accrued liabilities | 10,242,259 |
| Capital lease obligation | 1,085,325 |
| Loan payable | 40,243,201 |
| Deferred revenue | 11,131,340 |
| | <u>62,702,125</u> |

Long-term Liabilities

| | |
|--------------------------|-------------------|
| Capital lease obligation | 1,287,926 |
| Deferred rent | 1,326,287 |
| Other liabilities | 1,618,384 |
| | <u>66,934,722</u> |

Shareholders' Deficiency

| | |
|---|---------------------|
| Share capital | 17,168,662 |
| Advances to shareholder | (8,027,734) |
| Deficit | (32,883,920) |
| Total Shareholders' Deficiency | <u>(23,742,992)</u> |
| Total Liabilities and Shareholders' Deficiency | <u>43,191,730</u> |

**SECOND REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.
(August 16, 2016)**

Appendix "B"

In the Matter of the Receivership of Arc Productions Ltd. ("Arc")
Statement of Receipts and Disbursements
For the period from August 2 to 12, 2016

| <u>Description</u> | <u>Amount</u> | <u>Notes</u> |
|---|----------------------------|--------------|
| Receipts | | |
| Cash on hand - CAD\$ | \$ 1,138,764 | |
| Cash on hand - USD\$ | 278,902 | 1 |
| Non-refundable deposit from Jam Filled | 150,000 | |
| Administration of asset transfers and occupancy cost recoveries | 10,700 | 2 |
| Total receipts | <u>1,578,366</u> | |
| Disbursements | | |
| Contract employees | 26,307 | 3 |
| Utilities | 1,363 | |
| Miscellaneous disbursements | 925 | |
| HST paid post-receivership | 765 | |
| Official receiver filing fee | 70 | |
| Total disbursements | <u>29,430</u> | |
| Excess of Receipts over Disbursements | <u><u>\$ 1,548,937</u></u> | 4 |

Notes:

- 1 Translated at an exchange rate of 1.3.
- 2 Reimbursement of costs by Arc customers.
- 3 The Receiver contracted certain of the Arc employees to assist with records of employment, Wage Earner Protection Program, T4s, tax credit administration, computer systems backup,
- 4 Excludes accrued and unpaid receivership administration costs and professional fees

**SECOND REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.
(August 16, 2016)**

Appendix "C"

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

GROSVENOR PARK MEDIA FUND L.P.

Plaintiff

- and -

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SIMON PRODUCTION LTD., SAMURAI PRODUCTIONS LTD., THOMAS MURRAY,
KALLAN KAGAN and PETER KOZIK**

Defendants

**AFFIDAVIT OF PAUL M. CASEY
(Sworn August 15, 2016, 2016)**

I, PAUL M. CASEY, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am a Senior Vice-President of Deloitte Restructuring Inc. ("**Deloitte**"), the Court appointed Interim Receiver and now Receiver in these proceedings (the "**Receiver**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.


2. Deloitte was appointed as Interim Receiver pursuant to the Fresh As Amended Interim Receivership Order granted by the Honourable Mr. Justice Penny originally dated Friday, July 29, 2016 and amended Tuesday, August 2, 2016 (the "Interim Receivership Order"). On Wednesday, August 10, 2016, Deloitte was appointed as Receiver by order of the Honourable Mr. Justice Penny.

3. Attached hereto and marked as Exhibit "A" is a copy of the first interim invoice rendered by the Receiver in respect of the period from July 30, 2016 to August 5, 2016. The invoice contains the fees (including details of the billing rates and total hours of each of the members of Deloitte who acted on behalf of the Receiver in these proceedings), disbursements and GST/HST charged by Deloitte in these proceedings.

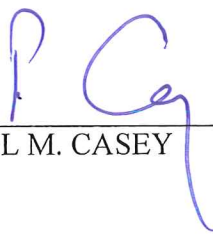
4. The Interim Receiver expended a total of 217.1 hours in connection with this matter during the Deloitte Application Period, giving rise to fees and disbursements totalling \$105,074.42, including HST, as outlined in Exhibit "A".

5. To the best of my knowledge, Deloitte's rates and disbursements are consistent with those in the market for these types of matters and the hourly billing rates charged by Deloitte are comparable to the rates charged by Deloitte for services rendered in similar proceedings.

SWORN before me in the City of Toronto,
in the Province of Ontario, on this 15th day
of August, 2016.



A Commissioner for taking affidavits
Name: *Sanja Sopic*



PAUL M. CASEY

This is Exhibit "A" referred to in the
affidavit of Paul M. Casey
sworn before me, this 15th
day of August, 2016.

A handwritten signature in blue ink, consisting of stylized cursive letters, positioned above a horizontal line.

A Commissioner for Taking Affidavits



Deloitte Restructuring Inc.
Bay Adelaide East
22 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Privileged and Confidential
ARC Productions Ltd.
c/o Deloitte Restructuring Inc., Interim Receiver
Bay Adelaide Centre,
22 Adelaide Street West, Suite 200
Toronto, ON, M5H 0A9

Date: August 11, 2016
Invoice No: **4148750**
Client/Mandate No: 850135.1000009
Billing Partner: Paul Casey
HST Registration No: 122893605

Invoice

To professional services rendered by Deloitte Restructuring Inc. as Court-appointed Interim Receiver of ARC Productions Ltd. ("ARC" or the "Company") for the period July 30 to August 5, 2016.

| Date | Professional | Description | Hours |
|------------|----------------|---|-------|
| 2016-07-30 | Casey, Paul | Communication with Company and prospective purchasers regarding due diligence data and Non-Disclosure Agreements ("NDA"); reporting to Grosvenor Park Media GP Corporation ("GP"); other emails. | 1.0 |
| 2016-07-31 | Casey, Paul | Telephone discussions and emails with P. Kozik of the Company regarding the drop box info; communications with prospective purchasers; numerous email correspondence. | 1.0 |
| 2016-08-01 | Casey, Paul | Emails with prospective purchasers; NDAs; update email to GP; review communications from Company and planning for Court attendance and receivership; respond to information requests;; cash flow analysis preparation; emails J. Taylor of Deloitte; arrange for site attendance. | 4.0 |
| 2016-08-01 | Page, Graham | Review court documents | 0.8 |
| 2016-08-01 | Taylor, Jay | Assessing cash flow forecast in the data room by P. Kozik and providing an update to Goodmans LLP ("Goodmans"), Deloitte and GP. | 2.0 |
| 2016-08-02 | Bryk, Adam | Voicemail from potential acquirer of Arc assets, forward to W. Leung and P. Casey. | 0.1 |
| 2016-08-02 | Casey, Paul | Email and extensive telephone discussion with T. Murray of the Company; attendance in Court for interim receivership application; Meetings with T. Murray, K. Kagan and P. Kozik of the Company; communications with various studios, employees, potential purchasers and other immediate on site administration. | 14.0 |
| 2016-08-02 | Koroneos, Anna | Attendance at Court; attendance at ARC's premises to take possession; provide instruction to Human Resources ("HR") staff and initiate preparation of ROEs, WEPP and T4s. | 10.0 |

| Date | Professional | Description | Hours |
|------------|-------------------------|---|-------|
| 2016-08-02 | Leung, Warren | Attendance onsite: correspondence with Bank of Montreal ("BMO") representative to transfer the funds in the account; responding to employee inquiries, preparing notice of termination for employees, setting up interim receivership website, attend to data preservation, facilitating sales process, due diligence, supervising team, meeting with team regarding a status update. | 12.0 |
| 2016-08-02 | Liu, Samson | Call with ARC IT team to understand its background. | 0.5 |
| 2016-08-02 | Najarali, Abbas Ali | Call with ARC IT to understanding its background. | 0.5 |
| 2016-08-02 | Page, Graham | Discussions with W. Leung, A. Koroneos and P. Casey regarding file. | 0.9 |
| 2016-08-02 | Taylor, Jay | Discussions with P. Casey and W. Leung on next steps for the interim receivership, call with BMO to freeze accounts, meetings with various staff members to determine who is key, drafting Notice and Statement of Receiver pursuant to Sections 245 and 246 of the <i>Bankruptcy and Insolvency Act</i> ("BIA"). Attend to Interim Receivership action items. | 9.0 |
| 2016-08-03 | Casey, Paul | On site attendance at ARC for initial interim receivership activities; planning meeting with GP and Sherman; Meeting with Kay et al re tax credit filings; communications with prospective purchasers, customers and creditors; other receivership admin. | 12.3 |
| 2016-08-03 | Delgado, Magdalena | On-site imaging of data. | 1.0 |
| 2016-08-03 | Koroneos, Anna | On site work on preparation of ROEs for 540 employees; communications with former and rehired employees; attend to former employee personal item pick up; preparation of a schedule for complying with the Wage Earner Protection Program Act. ("WEPP") and calculations; with HR and finance staff for items required; team meetings on update; general interim receivership administration. | 11.0 |
| 2016-08-03 | Leung, Warren | Attendance onsite: responding to former employee inquiries, facilitating sales process due diligence, supervising team, meeting with team re status update; calls with production studios to understand position; calls with vendors re stay of proceedings; correspondence with IT team regarding data preservation; tax credit application status meeting. | 10.0 |
| 2016-08-03 | Liu, Samson | On-site data collections/identifications. | 4.0 |
| 2016-08-03 | Page, Graham | Extensive discussions with A. Koroneos regarding payroll, vacation and accruals, work on spreadsheets regarding payroll and vacation, etc. | 4.5 |
| 2016-08-03 | Taylor, Jay | Supervision of Lynn V (tax consultant) and meetings with M. Abbott formerly of the Company in finding all relevant tax documents; Call with Joe Woodward (tax consultant); Updates with Andrew Kay of KWCA; Meetings with P. Casey and W. Leung. | 9.0 |
| 2016-08-03 | Venugopal, Naveen Kumar | Data imaging. | 3.0 |
| 2016-08-04 | Bryk, Adam | Emails and discussions regarding potential acquirer of ARC assets. | 0.2 |

| Date | Professional | Description | Hours |
|------------|-------------------------|--|-------|
| 2016-08-04 | Burcher, Julia | WEPPA administration, facilitating employee repossession of belongings. | 8.0 |
| 2016-08-04 | Casey, Paul | On site attendance at ARC; Meetings with prospective purchasers and respond to due diligence requests; NDA negotiations and data room access; Meeting and subsequent retention of facilities manager; telephone discussion with the landlord; banking; draft communications to stakeholders; on site meeting with the secured lender; other onsite administration. | 11.0 |
| 2016-08-04 | Koroneos, Anna | Attendance at premises; work with HR and finance for ROEs; continue work on WEPP schedule; work on creditors listing; review and update 245/246 BIA notice; attend to employee personal belonging pick up; emails to employees in response to queries. | 11.5 |
| 2016-08-04 | Leung, Warren | Attendance onsite: responding to employee inquiries, facilitating sales process due diligence, supervising team, meeting with team regarding a status update; calls with production studios to understand position; calls with vendors re stay of proceedings; correspondence with IT team regarding the data preservation; drafting notice of receiver, compiling cost schedules. | 12.0 |
| 2016-08-04 | Liu, Samson | On-site collections/identifications. | 1.0 |
| 2016-08-04 | Page, Graham | Supporting A. Koroneos with WEPPA administration. | 4.5 |
| 2016-08-04 | Taylor, Jay | Data room sets and uploading documents, coordination with various potential buyers regarding access; response to employee e-mails, tax credits supervision; meeting with Andrew K, Joe, Lynn, Michelle re tax credit documentation, and planning for filings | 8.0 |
| 2016-08-04 | Venugopal, Naveen Kumar | Data imaging. | 1.0 |
| 2016-08-05 | Bryk, Adam | Deloitte Quality Assurance ("QA") review of Notice of Receiver, emails and call re potential purchasers of ARC assets, QA review of First Report of Receiver. | 1.3 |
| 2016-08-05 | Burcher, Julia | WEPPA administration, facilitating employee repossession of belongings. | 8.0 |
| 2016-08-05 | Casey, Paul | Review Court Report; Conference calls with GP and counsel; meetings and telephone calls with prospective purchasers, studios, employees, and contractors; Telephone discussion with Andrew K; supervision of employee admin re ROEs; review and issue Notice of Receiver; telephone discussion with Sherman; other onsite receivership admin. | 10.5 |
| 2016-08-05 | Koroneos, Anna | 245/246 BIA notice creditor list; with staff and plans for employee pick up; WEPPA work; staff meeting; with P. Casey and J. Latham of Goodmans on priority and prepare schedule. | 9.0 |

| Date | Professional | Description | Hours |
|--------------------|---------------|--|--------------|
| 2016-08-05 | Leung, Warren | Attendance onsite; responding to employee inquiries, facilitating sales process due diligence, supervising team, meeting with team re status update, calls with production studios to understand position, calls with vendors regarding the stay of proceedings, correspondence with IT team regarding data preservation, review and amend 245/246 BIA Notice; compiling cost schedules. | 8.0 |
| 2016-08-05 | Liu, Samson | On-site data collection. | 1.0 |
| 2016-08-05 | Tailor, Jay | Discussions re WEPP administration with A. Koroneos; employee pick up of personal belongings; meeting with P. Casey; drafting e-mail to Goodmans, responding to potential buyers for assets. | 7.0 |
| 2016-08-05 | Page, Graham | On-site: working through security needs, plan for timing and logistics for staff to collect personal items. Emailing employees; security arrangements. | 4.5 |
| Total hours | | | 217.1 |

Summary of Fees

| Professional | Position | Rate | Hours | Amount |
|-------------------------------------|-----------------------|-------------|--------------|---------------------|
| Paul Casey | Senior Vice-President | \$ 585 | 53.8 | \$ 31,473.00 |
| Adam Bryk | Senior Vice-President | \$ 585 | 1.5 | 877.50 |
| Abbas Najarali | Senior Manager, IT | \$ 455 | 0.5 | 227.50 |
| Warren Leung | Manager | \$ 375 | 42.0 | 15,750.00 |
| Anna Koroneos | Manager | \$ 375 | 41.5 | 15,562.50 |
| Graham Page | Manager | \$ 375 | 15.2 | 5,700.00 |
| Samson Liu | Manager, IT | \$ 375 | 6.5 | 2,437.50 |
| Jay Tailor | Senior | \$ 290 | 35.0 | 10,150.00 |
| Magdalena Delgado | Analyst, IT | \$ 225 | 1.0 | 225.00 |
| Naveen Venugopal | Analyst, IT | \$ 225 | 4.0 | 900.00 |
| Julia Burcher | Analyst | \$ 225 | <u>16.0</u> | <u>3,600.00</u> |
| | | | 217.1 | \$ 86,903.00 |
| Add: 7% administration fee | | | | <u>6,083.21</u> |
| Total fees | | | | \$ 92,986.21 |
| HST on fees and disbursements @ 13% | | | | <u>12,088.21</u> |
| Total payable | | | | \$105,074.42 |

EROSVENOR PARK MEDIA FUND L.P.
Plaintiff

ARC PRODUCTIONS LTD. ET AL
Defendants

Court File No: 16-CV-11472-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced TORONTO

AFFIDAVIT OF PAUL M. CASEY

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto ON M5G 1V2
Fax: 416-597-3370

Mario Forte (LSUC #: 27293F)
Tel: 416-597-6477
Email: forte@gsnh.com

Sanja Sopic (LSUC #: 66487P)
Tel: 416-597-7876
Email: sopic@gsnh.com

Lawyers for Deloitte Restructuring Inc. in its
capacity as the Court appointed Receiver of Arc
Productions Ltd. et al.

**SECOND REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.
(August 16, 2016)**

Appendix “D”

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

AFFIDAVIT OF MARIO FORTE

(Sworn August 16 2016)

I, Mario Forte, of the City of Toronto, hereby MAKE OATH AND SAY:

1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am an associate with the law firm of Goldman Sloan Nash & Haber LLP (“**GSNH**”) and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
2. GSNH are lawyers of record for Deloitte Restructuring Inc. (“**Deloitte**”) in its capacity as the Court appointed Receiver (the “**Receiver**”) of Arc Productions Ltd. and the other corporate defendants (“**Arc**”). Prior to its appointment as Receiver on August 10, 2016, Deloitte was appointed Interim Receiver of Arc on July 29, 2016 (the “**Interim Receiver**”).

3. Attached as Exhibit "A" to this affidavit is a copy of invoice to be rendered by GSNH to Deloitte in its capacity as Interim Receiver for fees and disbursements incurred by GSNH in the course of this proceeding for the period from July 28, 2016 to August 5, 2016 with detailed descriptions of each docketed entry and the total billable hours by lawyer with their respective hourly rate.

4. The average hourly rate charged for the invoice set out in Exhibit "A" is approximately \$532.40 That is comprised of hours docketed by the following timekeepers at GSNH with the corresponding hourly rates:

| | |
|----------------|----------|
| Mario J. Forte | \$550.00 |
| John McKeown | \$500.00 |
| Sanja Sopic | \$290.00 |

5. To the best of my knowledge the rates charged by GSNH throughout the course of this proceeding are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

6. The hourly billing rates outlined above are comparable to the hourly rates charged by GSNH for services rendered in relation to similar proceedings.

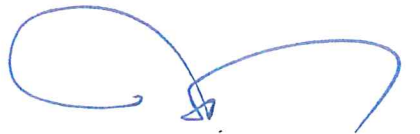
7. I make this affidavit in support of a motion by the Receiver for, among other things, approval of the fees and disbursements of GSNH as its counsel for the period from July 28, 2016 to August 5, 2016.

SWORN before me at the City of Toronto,
in the Province of Ontario
this 16th day of August, 2016



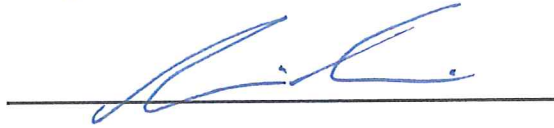
A Commissioner for taking oaths, etc.

Sanja Sopic



MARIO FORTE

This is Exhibit "A" to the Affidavit of
Mario Forte sworn before me
this 16th day of August, 2016



A Commissioner, etc.

Deloitte Restructuring Inc.
Bay Adelaide Centre
22 Adelaide St. West, Suite 200
Toronto, ON M5H 0A9

DATE: August 10, 2016
FILE NO: 161502

Suite 1600
480 University Avenue
Toronto, Ontario
M5G 1V2
Telephone: (416) 597-9922
Facsimile: (416) 597-3370

Attention: Paul Casey

H.S.T. NO: 12233 6290 RT0001
INVOICE NO: 145540

IN ACCOUNT WITH

GOLDMAN SLOAN NASH & HABER LLP
BARRISTERS & SOLICITORS

RE: Arc Productions Ltd. et al.

| TO PROFESSIONAL SERVICES RENDERED with respect to the above noted matter from | | | TIME |
|---|--------|---|------|
| DATE | LAWYER | | |
| Jul/28/16 | MJF | initial briefing and discussion of strategy for court hearing tomorrow Friday (30th) and providing strategic advice and guidance; reviewing available materials | 2.40 |
| Jul/29/16 | MJF | preparation and attendance in court on interim receivership hearing and dealing with various negotiations and settlement of endorsement and order | 5.25 |
| | MJF | dealing with numerous issues following on from the order and advising on next steps from a sale process and counterparty perspective; assembling background materials for opinion | 1.20 |
| Jul/30/16 | MJF | dealing with drafting confidentiality form and discussing process issues and advising thereon | 2.30 |
| Jul/31/16 | MJF | assisting with the negotiation of NDA form and responding to numerous process related issues | 0.90 |
| Aug/01/16 | MJF | advising and assisting with the negotiation of NDA's and related process issues; commence security review preparation to provide an oral opinion for the court on the validity of the security over tax certificate credits etc. | 3.20 |
| Aug/02/16 | MJF | preparation for and attend court on removal of restrictions on interim receivership; engaged in numerous and various discussions with Deloitte, Goodmans, and third party stakeholders; preparing draft opinion on security and advising on various strategic approaches to dealing with cash collateral issues and phantom employee arguments. | 8.10 |
| Aug/03/16 | SFS | Conducting PPSA summaries. | 1.10 |
| | SFS | Reviewing email correspondence re contract with Sony Animation and drafting email to Sony Animation counsel re stay of proceedings and no termination of services. | 0.50 |

ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitors' Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

| | | | |
|-----------|-----|--|-------|
| | MJF | engaged with numerous sale process issues and advising thereon; engaging with various counterparties on | 7.30 |
| | | production arrangements and dealing with self-help creditors and stay violations | |
| | JSM | Review production contract | 0.40 |
| Aug/04/16 | SFS | Preparing for and participating in conference call with client and counsel for Beanfield Telecommunication Services re stay of proceedings and agreement for payment of services going forward. Discussing same with M. Forte. Discussing copyright issues with J. McKeown. Email correspondence with Beanfield's counsel. Reviewing service agreements. Email correspondence re repudiation issue. | 2.00 |
| | MJF | engaged in negotiations and discussions with counterparties and creditors concerning transition and stay matters; providing advice and guidance on numerous sale process issues; providing strategic and other advice on interim receivership process; discussions concerning hearing arising from resignation of the remaining director and advising on process matters; preparation of occupancy and to permit transition of counterparty productions; | 7.60 |
| | JSM | Inter-office conference M. Forte re copyright issues | 0.20 |
| Aug/05/16 | MJF | attendance in court to deal with procedure for formalizing a permanent receivership; engaged in lengthy discussions and negotiations with various counterparties and creditors seeking to violate the stay; providing advice and guidance in connection with numerous sale process matters; | 10.40 |

OUR FEE HEREIN
 H.S.T. on Fee

\$28,137.50
 3,657.88

| FEE SUMMARY | | | HOURS | RATE | TOTAL |
|---|-----------------|--|-------|--------|--------------------|
| | Sanja F. Sopic | | 3.60 | 290.00 | \$1,044.00 |
| | Mario J. Forte | | 48.65 | 550.00 | \$26,757.50 |
| | John S. McKeown | | 0.60 | 500.00 | \$300.00 |
| DISBURSEMENTS: | | | | | |
| | Laser Copies | | | | 44.00 |
| TOTAL DISBURSEMENTS | | | | | <u>\$44.00</u> |
| H.S.T. on Disbursements | | | | | \$5.72 |
| DISBURSEMENTS MARKED WITH * INDICATE EXEMPT | | | | | |
| TOTAL LEGAL FEES AND DISBURSEMENTS (includes | | | | | <u>\$31,845.10</u> |

\$3,663.60 H.S.T.)

Deloitte Restructuring Inc.

August 10, 2016
Invoice No: 145540

BALANCE DUE

\$31,845.10

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP


Per: Mario J. Forte

E. & O. E.

GROSVENOR PARK MEDIA FUND L.P.
Plaintiff

and

ARC PRODUCTIONS LTD. ET AL

Defendants

Court File No: 16-CV-11472-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced TORONTO

AFFIDAVIT OF MARIO FORTE

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
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Mario Forte (LSUC #: 27293F)
Tel: 416-597-6477
Email: forte@gsnh.com

Sanja Sopic (LSUC #: 66487P)
Tel: 416-597-7876
Email: sopic@gsnh.com

Lawyers for Deloitte Restructuring Inc. in its
capacity as the Court appointed Receiver of Arc
Productions Ltd. et al.

GROSVENOR PARK MEDIA FUND L.P.

and

ARC PRODUCTIONS LTD., et al.

Court File No. 16-CV-11472-00CL

Plaintiff

Defendants

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

Proceeding commenced at Toronto

SECOND REPORT OF THE RECEIVER
(August 16, 2016)