

**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., TFI 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

**TENTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.  
(July 31, 2018)**

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 tenth report (the “Tenth Report”) in its capacity as a Court-appointed officer solely for the purpose outlined herein. Parties using the Tenth 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 Tenth Report are expressed in Canadian Dollars. Unless otherwise provided, all other capitalized items not otherwise defined in this Tenth Report are as defined in the First through Ninth Reports.

**C. Purpose of the Report**

3. The Receiver has prepared this Tenth Report to advise the Court and the Service List of the Receiver's intention to make a further distribution of \$2,125,000 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**

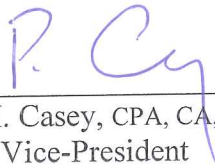
4. Attached as Appendix "A" is the Distribution Order of the Ontario Superior Court of Justice (Commercial List) dated April 18, 2017 (the "Distribution Order"). Paragraph 4 of the Distribution Order provides that "subject to paragraph 5 of this Order, the Receiver be and is hereby authorized to distribute 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. To date, the Receiver has distributed \$13,966,807 to GP. Following the further distribution of \$2,125,000 as notified herein, cumulative distributions to GP will be \$16,091,807.
6. Attached as Appendix "B" is the Receiver's Statement of Receipts and Disbursements for the period from August 2, 2016 to July 23, 2018 which indicates that there are available funds on hand for a further distribution to GP of \$2,125,000.
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 Ninth Report, the Receiver has received tax credits for the following fiscal years and ARC affiliates; 2015 BL II Productions Inc.; and 2016 Eggs Ltd. Total film tax credits net of amounts withheld for various deductions and penalties received to date by the Receiver are \$17,082,543 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 Tenth Report to notify the Service List of its intention to make this distribution on August 10, 2018 or immediately thereafter in accordance with the Distribution Order.

All of which is respectfully submitted at Toronto, Ontario this 31<sup>th</sup> day of July, 2018.

**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

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

THE HONOURABLE

)

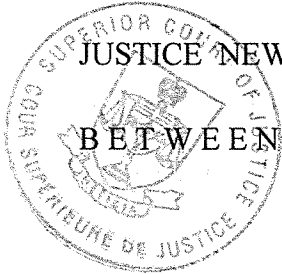
TUESDAY, THE

JUSTICE NEWBOULD

)

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

)



BETWEEN:

**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**  
480 University Avenue, Suite 1600  
TORONTO, ON M5G 1V2

**Mario Forte** (LSUC #: 27293F)  
**Lori Goldberg** (LSUC #58581V)  
Tel: 416-597-6477  
Fax: 416-597-3370  
Email: [forte@gsnh.com](mailto:forte@gsnh.com)

Lawyers for Deloitte Restructuring Inc.



## 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 July 31, 2018**

<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"	17,082,543
Total receipts to date	19,280,279
<b>Disbursements</b>	
WEPP payments (Section 81.4 Claims)	1,068,875
Receiver's fees	709,237
Receiver's legal counsel fees	183,293
Contract employees and third party professionals	427,737
Operating expenses	220,953
Occupation rent	155,990
Tax credits filing and application fees	70,821
HST paid post-receivership, net of refunds	29,086
Total disbursements to date	2,865,991
<b>Surplus of receipts over disbursements before distributions to secured creditor</b>	<b>\$ 16,414,289</b>
Distributions to Secured Creditor	13,966,807
<b>Excess of Receipts over Disbursements</b>	<b>\$ 2,447,482</b>
<b>Less Accruals:</b>	
Holdback for fees, costs, and expenses	(322,482)
<b>Net amount available for sixth distribution</b>	<b>\$ 2,125,000</b>

**In the matter of the Receivership of Arc Productions Ltd.  
Schedule of Film Tax Credits Received  
For the period from August 2, 2016 to July 31, 2018**

<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
	2015	Thomas & Friends 19	Accrued Interest	49,865
			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
			PSTC	46,501
			OPSTC	118,818
		Accrued Interest	9,696	
			Entity Total	5,873,896
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
	2015	Barbie DVD 2015	Accrued Interest	68,593
			PSTC	96,418
			OPSTC	298,828
		Max Steel	OCASE	151,309
			PSTC	219,175
			OPSTC	637,689
		Barbie DVD Floating 2016	OCASE	302,098
			PSTC	43,470
			OPSTC	128,192
		Barbie DVD Fall 2016	OCASE	65,231
			PSTC	164,426
OPSTC			468,287	
		OCASE	213,926	
		Accrued Interest	32,123	
			Entity Total	6,280,594

**In the matter of the Receivership of Arc Productions Ltd.**  
**Schedule of Film Tax Credits Received**  
**For the period from August 2, 2016 to July 31, 2018**

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>
Eggs Ltd.	2015	Ice Age Holiday Special	PSTC	45,371
			OPSTC	118,248
			Accrued Interest	521
	2016	Ice Age Easter Television Special	PSTC	268,756
			OPSTC	652,078
		Accrued Interest	13,340	
		Entity Total		1,098,314
ARC Productions Ltd.	2012	Matt Hatter 1 13 Projects	OPSTC	205,902
			OCASE	980,707
				870
	2014	Somnia	PSTC	116,443
			OPSTC	409,670
			Accrued Interest	9,160
	2015	Lego Marvel 2	OPSTC	371,491
			3,904	
		Entity Total		2,098,147
Kick Productions Ltd.	2016	Kody Kapow	OPSTC	301,852
				331
			Entity Total	
In the Jungle Productions Inc.	2015	Tarzan and Jane	PSTC	6,647
	2016	Tarzan and Jane	PSTC	250,402
			OPSTC	610,003
			Accrued Interest	5,809
		Entity Total		872,861
Princess Productions Inc.	2016	Elena	PSTC	675,086
			OPSTC	1,336,485
				6,071
			Entity Total	
		Tax credits received to date		18,325,021
		Accrued interest received to date		218,617
		<b>Total processed and received to date</b>		<b>18,543,638</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, July 31, 2018</b>		<b>17,082,543</b>

GROSVENOR PARK MEDIA FUND L.P.

and

**Plaintiff**

ARC PRODUCTIONS LTD., et al.

Defendants

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

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

Proceeding commenced at Toronto

**TENTH REPORT OF THE RECEIVER  
(July 31, 2018)**