

**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

**NINETEENTH REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.
(August 25, 2022)**

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

C. Purpose of the Report

3. The Receiver has prepared the Nineteenth Report to advise the Court and the Service List of the Receiver's intention to make a further distribution of \$1,200,000 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 August 23, 2022, the Receiver has distributed \$26,402,282 to GP. Following the further distribution of \$1,200,000 as notified herein, cumulative distributions to GP will be \$27,602,282.
6. The source of funds for this recommended distribution are film tax credit recoveries from Arc's affiliated company. Since the Eighteenth Report, the Receiver has received tax credits for TF I Productions Inc totaling \$1,284,211. Total film tax credits received to August 23, 2022 by the Receiver, net of amounts withheld for various deductions and penalties, are \$29,245,232 and are detailed on the attached Appendix "C". Subject certain appeals which are currently extant, the Receiver notes that these tax credits represent the final tax credits the Receiver expects to receive in respect of all the filings made in the course of the administration of the receivership.
7. Attached as Appendix "B" is the Receiver's Statement of Receipts and Disbursements for the period from August 2, 2016 to August 23, 2022. The Receiver is currently holding funds totaling \$1,430,283. After the proposed distribution to GP of \$1,200,000, the Receiver will retain \$230,283 as a holdback to cover future fees and disbursements to complete its administration. Any remaining funds in excess of those costs will be distributed to GP in accordance with the Distribution Order.
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 Nineteenth Report to notify the Service List of its

intention to make this distribution on September 7, 2022 or immediately thereafter
in accordance with the Distribution Order.

All of which is respectfully submitted at Toronto, Ontario this 25th day of August, 2022.

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

Per: 

Warren Leung, CPA, CA, CIRP, LIT
Senior Vice-President

Attachments

Appendix “A”

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

THE HONOURABLE

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TUESDAY, THE

JUSTICE NEWBOULD

18TH 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.

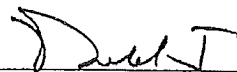
3. **THIS COURT ORDERS** that the fees of the Receiver and its counsel for the period from November 1, 2016 to February 28, 2017, as set out in the Fifth Report, are hereby approved.

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

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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 August 23, 2022

Description	Amount
Receipts	
Cash on hand and sale proceeds	\$ 2,205,620
Film tax credits recoveries net of CRA set-off	29,245,232
Total actual receipts	31,450,851
Disbursements	
WEPP payments (Section 81.4 Claims)	1,068,875
Receiver's fees	1,222,511
Receiver's legal counsel fees	234,425
Contract employees and third party professionals	621,349
Operating expenses	223,950
Occupation rent	155,990
Tax credits filing and application fees	86,251
HST paid (received) post-receivership, net of refunds	4,935
Total disbursements to date	3,618,286
Surplus of receipts over disbursements before distributions to secured creditor	\$ 27,832,565
Distributions to Secured Creditor	26,402,282
Excess of Receipts over Disbursements	\$ 1,430,283
Less Accruals:	
Holdback for fees, costs, and expenses	(230,283)
Net amount available for fourteenth distribution	\$ 1,200,000

Appendix “C”

In the matter of the Receivership of Arc Productions Ltd.
Schedule of Total Film Tax Credits
For the period August 2, 2016 to August 23, 2022

Film Tax Credits Received

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>	<i>Note</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		
			OCASE	332,197		
		Thomas & Friends 20	PSTC	348,231		
			OPSTC	874,225		
			OCASE	482,494		
			Accrued Interest		86,124	
	2016	Thomas & Friends 20	PSTC	237,066		
			OPSTC	612,735		
			OCASE	316,365		
	Thomas & Friends 21	PSTC	46,501			
		OPSTC	118,818			
		OCASE	55,684			
		Accrued Interest		39,376		
			Entity Total	7,158,107		
Eggs Ltd.	2015	Ice Age Holiday Special	PSTC	45,371		
			OPSTC	118,248		
			OCASE	64,059		
			Accrued Interest	2,491		
			Transitional Grant		122,997	
	2016	Ice Age Easter Television Special	PSTC	249,076		
			OPSTC	652,078		
OCASE			356,136			
		Accrued Interest		22,139		
			Entity Total	1,632,594		
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		
Kick Productions Ltd.	2016	Kody Kapow	PSTC	120,652		
			OPSTC	278,317		
			OCASE	128,030		
			Accrued Interest	6,508		
			Entity Total	533,507		

Film Tax Credits Received

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>	<i>Note</i>	
ARC Productions Ltd.	2012	Matt Hatter 1	OPSTC	205,902		
		13 Projects	OCASE	980,707		
		Accrued Interest		870		
	2013	Lego Marvel	OCASE	198,925		
		Pixie Hollow	OCASE	74,088		
		Oculus	OCASE	23,462		
		Hemlock Grove	OCASE	1,749		
		Lucky 7	OCASE	5,466		
		IMAX: Wonders of the Arctic	OCASE	5,447		
		Somnia	OCASE	8,186		
		Canterville Ghost	OCASE	32,804		
		Vitaminamulch: Air Spectacular	OCASE	59,608		
		The Pirate Fairy	OCASE	95,644		
		Meet the Piston Peak Team	OCASE	2,627		
		Accrued Interest		46,345		
		2014	Lego Marvel 2	OCASE	3,660	
			Meet the Piston Peak Team, I (1-4)	OCASE	144,967	
	Rusty Rivets, I		OCASE	22,804		
	Somnia		PSTC	116,443		
			OPSTC	409,670		
			OCASE	154,786		
	The Pirate Fairy		OCASE	19,990		
	There is no place like OZ		OCASE	16,312		
	Tink'n About Animals		OCASE	106,817		
	Vitaminamulch: Air Spectacular		OCASE	125,748		
	Accrued Interest			47,566		
	2015		Lego Marvel 2	PSTC	117,736	
				OPSTC	363,385	
			OCASE	176,405		
		There is no place like OZ	PSTC	110,279		
			OPSTC	321,675		
			OCASE	170,615		
		Rusty Rivets, I	OCASE	384,213		
		Blazing Samurai	PSTC	7,964		
		Blazing Samurai	OPSTC	22,387		
		Accrued Interest		67,599		
		2016	Rusty Rivets, I	OCASE	330,152	
	Blazing Samurai		PSTC	189,989		
	Blazing Samurai		OPSTC	503,179		
	Blazing Samurai		OCASE	316,111		
Accrued Interest			36,730			
			Entity Total	6,029,013		
Princess Productions Inc.	2016	Elena	PSTC	675,086		
			OPSTC	1,336,485		
			OCASE	696,962		
		Accrued Interest		29,189		
				Entity Total	2,737,722	

Film Tax Credits Received

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>	<i>Note</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	
				OCASE	193,478	
			Barbie Floating 2016 DVD	PSTC	1,010	
OPSTC				2,674		
OCASE				1,499		
		Barbie DVD Fall 2016	PSTC	208,114		
			OPSTC	525,056		
			OCASE	272,125		
		Accrued Interest		42,485		
			Entity Total	8,033,346		

Film Tax Credits Received

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>	<i>Note</i>	
Arcadia Productions Ltd.	2014	Troll Hunters, I	OCASE	10,600		
		Accrued Interest		820		
	2015	Troll Hunters, I	PSTC		330,789	
			OPSTC		841,640	
			OCASE		455,438	
		Dragons Race to the Edge, I & II	PSTC		79,794	
			OPSTC		187,495	
			OCASE		104,669	
	2016	Troll Hunters, I	Accrued Interest		78,934	
			PSTC		161,758	
			OPSTC		427,529	
		Dragons Race to the Edge, I & II	OCASE		243,060	
			PSTC		85,230	
			OPSTC		220,331	
			OCASE		123,777	
Accrued Interest		45,925				
			Entity Total	3,397,788		
Tax credits received to date				29,934,298		
Accrued Interest received to date				772,028		
Total processed and received to date				30,706,326		
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)		
Net tax credits received to date, August 23, 2022				29,245,232		

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

**NINETEENTH REPORT OF THE
RECEIVER**
(August 25, 2022)