

Court File No.: CV-24-00713128-0000

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF  
COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
SIMEX INC., IWERKS ENTERTAINMENT INC., AND  
SIMEX-IWERKS MYRTLE BEACH LLC**

**THIRD REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**

**April 25, 2024**

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- APPENDIX “B”** Amended and Restated Initial Order dated January 29, 2024
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- APPENDIX “D”** First Report of the Monitor dated January 26, 2024 (without appendices)
- APPENDIX “E”** Second Report of the Monitor dated April 18, 2024 (without appendices)
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## INTRODUCTION & PURPOSE

1. On January 19, 2024 (the “**Filing Date**”) SimEx Inc. (“**SimEx**”), Iwerks Entertainment Inc. (“**Iwerks**”) and Simex-Iwerks Myrtle Beach LLC (“**SIMB**” and, together with SimEx and Iwerks, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the “**CCAA**”) granting, *inter alia*, a stay of proceedings in favour of the Applicants until January 29, 2024 (the “**Stay Period**”) and appointing Deloitte Restructuring Inc. as monitor (in such capacity, the “**Monitor**”). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the (“**CCAA Proceedings**”). A copy of the Initial Order is attached hereto as **Appendix “A”**.
2. On January 29, 2024, the Applicants sought and obtained an amended and restated initial order (the “**ARIO**”). The ARIO, among other things, extended the stay of proceedings to May 3, 2024, confirmed the maximum amounts to be secured by priority charges, and approved a sale and investor solicitation process (the “**SISP**”). A copy of the ARIO is attached hereto as **Appendix “B”**.
3. The Monitor filed a Pre-filing Report with the Court prior to the commencement of the CCAA Proceedings. The Monitor filed its First Report dated January 26, 2024, in connection with the Applicants’ comeback and stay extension hearing on January 29, 2024. A copy of the Pre-Filing Report, without appendices, is attached here to as **Appendix “C”** and a copy of the First Report, without appendices, is attached hereto as **Appendix “D”**.
4. The Monitor filed its Second Report dated April 18, 2024, in connection with a material adverse change (“**MAC**”) arising from the failure of the SISP to generate a Qualified Bid and the failure of a proposed offer by a group of senior management (as detailed in the

Second Report, the “**MBO**”). A copy of the Second Report is available on the Monitor’s Website and is attached hereto, without appendices, as **Appendix “E”**.

5. Capitalized terms not otherwise defined herein shall have the meaning attributed to them in the ARIO and the previous reports of the Monitor. Copies of all materials filed with the Court in the CCAA Proceedings are available on the Monitor’s Website at [www.insolvencies.deloitte.ca/en-ca/SimEx](http://www.insolvencies.deloitte.ca/en-ca/SimEx).
6. The purpose of this report (the “**Third Report**”), is to provide the Court with information on the following:
  - a) the activities of the Applicants and the Monitor since the First Report;
  - b) the Applicants’ actual cash flows from the Filing Date to April 12, 2024, compared to the cash flow forecast included in the Pre-Filing Report (the “**Cash Flow Statement**”);
  - c) correspondence with Warner Brothers Discovery Inc. (“**WB**”) regarding the termination of the WB Contracts; and
  - d) the Applicants’ motion seeking an order (the “**CCAA Termination Order**”) to, among other things:
    - i. terminate the CCAA Proceedings, with effect at the time the Monitor files the Discharge Certificate attached as Schedule “A” to the CCAA Termination Order with the Court giving effect to such termination (the “**Effective Time**”);
    - ii. authorize and direct the Monitor to file an assignment in bankruptcy for SimEx;
    - iii. authorize the Monitor to act as the trustee in bankruptcy of SimEx;

- iv. authorize the payment by SimEx of US\$50,000 to Deloitte Restructuring Inc. in respect of the costs of administering the SimEx bankruptcy;
- v. authorize the Applicants (a) to cause Iwerks to commence Chapter 7 liquidation proceedings in the United States and (b) to cause SIMB to commence Chapter 7 liquidation proceedings in the United States, if same is deemed necessary;
- vi. authorize the Monitor, in its capacity as foreign representative in the Chapter 15 Proceedings, to take such steps as it deems necessary and appropriate to dismiss the Chapter 15 Proceedings;
- vii. declare that the DIP Lender's Charge, as defined in the ARIO, shall continue to apply to the assets of the Applicants, notwithstanding the filing of the Discharge Certificate and the termination of the CCAA proceedings, which DIP Lender's Charge shall be enforceable jointly and severally as against the Applicants, as debtors in the Chapter 15 Proceedings and in any successors thereto, including, without limitation, any trustee appointed in any case under Chapter 7 of the US Bankruptcy Code;
- viii. approve the Pre-Filing Report, the First Report, the Second Report and this Third Report (together, the "**Monitor's Reports**") and the activities described therein;
- ix. approve the fees and disbursements of the Monitor and the Monitor's legal counsel;
- x. terminate and extinguish the Directors' Charge;

- xi. terminate and extinguish the Administration Charge upon filing of the Discharge Certificate; and
- xii. discharge the Monitor and release and discharge the Monitor and its counsel from any and all claims relating to the CCAA proceedings and their respective conduct in or related to the CCAA Proceedings upon the filing of the Discharge Certificate.

### **TERMS OF REFERENCE**

- 7. In preparing this Third Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and information prepared by the Applicants, and discussions with management of the Applicants (“**Management**”) (collectively, the “**Information**”).
- 8. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor 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 Generally Accepted Assurance Standards (“**Canadian GAAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook*, and accordingly, the Monitor expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.
- 9. The Monitor has prepared this Third Report in connection with the Applicants’ motion for the CCAA Termination Order, currently scheduled to be heard by the Court on April 26, 2024, and should not be relied on for any other purpose.

10. Future orientated financial information reported or relied on in preparing this Third Report is based on the assumptions of Management regarding future events; actual results may vary from forecast and such variations may be material.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars, the Applicants' reporting currency.

## **EXECUTIVE SUMMARY**

12. The Monitor is of the view that:
  - a) as the SISP did not generate a Qualified Bid and the MBO transaction could not proceed, the Applicants have limited future prospects; accordingly, the CCAA Proceedings should be terminated, and a liquidation of the Applicants should proceed;
  - b) the Administration Charge and the Directors' Charge should be terminated and extinguished, on the basis set out in the CCAA Termination Order;
  - c) authorizing and directing the Monitor to file an assignment in bankruptcy in respect of SimEx will permit for an efficient resolution of SimEx's affairs;
  - d) the activities of the Monitor and its counsel have been undertaken in good faith and with due diligence; and
  - e) the fees and disbursements of the Monitor and counsel to the Monitor in Canada and the US are reasonable in the circumstances, which together with the Monitor's activities, should be approved.



## **ACTIVITIES OF THE APPLICANTS SINCE THE DATE OF THE FIRST REPORT**

13. Since the First Report, the Applicants have:
- a) continued their overall business operations in the normal course;
  - b) managed communications with stakeholders, including suppliers, creditors, and employees;
  - c) prepared, with the assistance of the Monitor, cash flow statements, cash flow variance reporting, and reporting required to RBC, as per the DIP Facility Agreement;
  - d) managed the Applicants' cash flow and disbursements in accordance with the Cash Flow Statement, the Initial Order and the ARIO;
  - e) worked with the Monitor to develop the SISP materials (e.g., teaser, investment memorandum, populate an electronic data room) for prospective purchasers to evaluate the acquisition or investment opportunity in the Applicants' business;
  - f) liaised with potential purchasers in advancing the SISP;
  - g) worked with the Monitor and RBC to navigate the outcome of the SISP and provide information to the Monitor and other stakeholders necessary to formulate strategies for managing the termination of the CCAA Proceedings;
  - h) corresponded with WB and consented to the termination of the WB Contracts; and
  - i) caused SIMB to cease operations and terminated the employees of SIMB.

## **ACTIVITIES OF THE MONITOR SINCE THE DATE OF THE FIRST REPORT**

14. Since the First Report, the Monitor has:

- a) maintained the Monitor's Website, including posting all relevant court orders and notices;
- b) routinely engaged with the Applicants' management, including on-site visits at the Applicants' premises in Toronto, regarding the CCAA Proceedings;
- c) provided support to the Applicants' management in managing communication with stakeholders, including suppliers, creditors and employees;
- d) approved a DIP Advance request made in accordance with the terms of the DIP Facility Agreement;
- e) assisted the Applicants in preparing updated cash flow statements and cash flow variance reporting, and in providing reporting to RBC required by the DIP Facility Agreement;
- f) monitored the Applicants' receipts and disbursements;
- g) conducted the SISP, including soliciting interest from a wide range of potential interested parties; assisting the Applicants' in populating a data room; responding to inquiries from interested parties and facilitating meetings and information requests; and providing updates to RBC, as required by the SISP;
- h) reviewed and approved the disclaimer of certain real property leases;
- i) engaged in discussions with Management, RBC and other stakeholders in connection with potential transactions proposed by Management;
- j) engaged in discussions with Management, RBC and other stakeholders in connection with the outcome of the SISP and the effect of same on the CCAA Proceedings;

- k) considered whether the outcome of the SISP and subsequent discussions with respect to potential transactions proposed by Management constituted a MAC; and
- l) prepared the Second Report and this Third Report.

**CASH RECEIPTS AND DISBURSEMENTS TO APRIL 12, 2024**

- 15. In the 12-week period from January 19 to April 12, 2024, the Applicants generated operating receipts of \$3.6 million and made disbursements of \$3.3 million, resulting in net cash flows of \$228,682, as compared to forecast cash flows of (\$340,189) for the same period, as set out in the Cash Flow Statement appended to the Pre-Filing Report, for a favourable variance of \$768,871.
- 16. The table below compares the projected and actual cash flows for the 12-week period from January 19 to April 12, 2024.

<b>In the matter of the CCAA proceedings of SimEx Inc., et al</b>				
<b>Cash flow for the period January 19 to April 12, 2024</b>				
<b>Variance Analysis</b>				
<b>(in USD)</b>	<b>Forecast</b>	<b>Actual</b>	<b>Variance (\$)</b>	<b>Notes</b>
<b>Operating Receipts</b>				
Customer Receipts	3,206,472	3,572,594	366,122	i
HST refunds	39,898	-	(39,898)	ii
<b>Total Operating Receipts</b>	<b>3,246,370</b>	<b>3,572,594</b>	<b>326,224</b>	
<b>Operating Disbursements</b>				
Employee costs	(1,635,178)	(1,690,091)	(54,914)	iii
Selling, general and administrative costs	(457,437)	(496,321)	(38,884)	iv
Rent costs	(289,892)	(294,798)	(4,906)	
Vendor payments	(299,053)	(203,537)	95,516	v
Contingency costs	(130,000)	-	130,000	
<b>Total Operating Disbursements</b>	<b>(2,811,559)</b>	<b>(2,684,747)</b>	<b>126,812</b>	
<b>Operating Cash Flow</b>	<b>434,811</b>	<b>887,847</b>	<b>453,036</b>	
<b>Restructuring Costs</b>				
Professional fees	(775,000)	(659,165)	115,835	vi
<b>Total Restructuring Costs</b>	<b>(775,000)</b>	<b>(659,165)</b>	<b>115,835</b>	
<b>Net Operating Cash Flow before Debt Service</b>	<b>(340,189)</b>	<b>228,682</b>	<b>568,871</b>	
<b>Debt Service</b>				
Debt service	-	-	-	
DIP draw	-	200,000	200,000	vii
<b>Net Cash Flow</b>	<b>(340,189)</b>	<b>428,682</b>	<b>768,871</b>	

17. Significant variances are discussed below:

## **RECEIPTS**

- i. **Customer Receipts:** favourable permanent variance of \$366,000 due to greater-than-expected ACV and SIMB receipts.
- ii. **HST Refunds:** unfavourable temporary variance of \$40,000 related to December 2023 and January 2024 HST refunds. The Canada Revenue Agency placed the Applicants' accounts on hold while it conducts an audit of the Applicants' HST filings. The Applicants expect that these refunds will be received after conclusion of the CRA audit.

## DISBURSEMENTS

- iii. **Employee Costs:** unfavourable permanent variance of \$55,000 due to payment of annual employee benefits that was not projected.
  - iv. **Selling General and Administrative Costs:** unfavourable permanent variance of \$39,000 due to greater-than-expected disbursements.
  - v. **Vendor Payments:** favourable temporary variance of \$96,000 due primarily to non-payment of a termination fee to a supplier. This payment was paid after April 12, 2024.
  - vi. **Professional Fees:** favourable temporary variance of \$116,000 in professional fees. This variance will reverse as professional fees are incurred to finalize the CCAA proceedings.
  - vii. **DIP Draw:** The Cash Flow Forecast in the Pre-Filing Report did not contemplate DIP funding in the Forecast Period. A draw was required to fund disbursements during the reporting period.
17. An updated Cash Flow Statement reflecting actual receipts and disbursements to April 12, 2024, and projected receipts and disbursements to April 26, 2024 is attached hereto as **Appendix “F”**.

**TERMINATION OF THE CCCAA PROCEEDINGS AND THE APPLICANTS'  
MOTION FOR THE CCAA TERMINATION ORDER**

*Termination of CCAA Proceedings*

No Viable Transaction

18. The primary purpose of the CCAA Proceedings was to complete a sale of the Applicants' business through the SISP.
19. As discussed above, the SISP did not result in a viable transaction and the MBO was unsuccessful in light of WB's decision not to proceed with discussions in respect of the assignment of the WB Contracts.
20. As set out in the affidavit of Michael Needham sworn April 22, 2024 (the "**Needham Affidavit**"), the Applicants see no path forward in these proceedings in the absence of a sale or investment transaction. The Monitor concurs with this assessment. RBC has confirmed to the Monitor that it supports the termination of the CCAA Proceedings and the wind down of the companies.

Statutory Priorities and Post-CCAA Filing Obligations

21. The Monitor is not aware of any amounts owing by the Applicants, or of any claims that have been asserted against the Applicants that, in either case, remain unpaid and relate to payroll source deductions, or withholding taxes deducted or withheld and not remitted.
22. As described in greater detail below, the Applicants caused SIMB to cease operations. The Monitor is advised by the Applicants that all employee wages to the date of termination will be paid by April 26, 2024.

23. With respect to the operations of SimEx and Iwerks, if the CCAA Proceedings are terminated and operations cease on April 26, 2024, the Monitor estimates that employees of SimEx and Iwerks will be owed approximately \$255,000 in outstanding wages and \$86,750 in vacation pay earned in the period January 19, 2024 to April 26, 2024. SimEx and Iwerks intend to pay outstanding wages and vacation pay to these terminated employees. Non-payment of such amounts could create a director's liability that will no longer be covered by the Director's Charge if extinguished. Further, employees based in Canada that are not paid their final wages and vacation pay may file claims for payment of these amounts pursuant to the WEPPA. Service Canada may then file a priority claim for such amounts and a significant portion of any unpaid wages will be paid in any event. As the Applicants' are paying wages and vacation pay earned to April 26, 2024, at Iwerks and SIMB, and the Directors' charge will be extinguished, the Monitor supports these payments. The Monitor has advised RBC that these amounts will be paid and RBC does not object to such payments.
24. The Monitor understands that CRA is in the process of finalizing an audit of SimEx's HST account. On April 2, 2024, CRA issued a proposal as a result of the audit that would revise SimEx's HST position for the period January 1, 2024, to January 19, 2024 from a refund position of \$7,290.31 to a payable position \$655,545.64. CRA's proposal is based on the erroneous position that SimEx filed a notice of intention to make a proposal under s. 50.4(1) of the BIA and that input tax credits ("ITCs") previously claimed should be reversed as the related payables were not made. Management has responded to CRA disputing the proposal. A copy of CRA's proposal and Management's response is attached hereto as **Appendix "G"**.

25. As the audit is ongoing, the Monitor is unable to confirm amounts that may be owing in respect of unremitted HST for the period prior to the issuance of the Initial Order (the “**Pre-Filing HST Liability**”). The Monitor has reviewed the records of SimEx with respect to post-filing HST and anticipates that SimEx has sufficient ITCs to offset any post-filing HST liability.
26. The Monitor notes that any claim by CRA in respect of unremitted HST would be an unsecured claim following the bankruptcy assignment of SimEx.
27. With respect to post-filing obligations, the Applicants reported unpaid post-filing obligations to trade creditors of approximately \$77,000 as at April 19, 2024. In addition, the Applicants estimate that film licensors are owed approximately \$415,000 for royalty obligations incurred in the period January 19 to March 31, 2024. These creditors will have an opportunity to file proofs of claim in the anticipated bankruptcy of SimEx, or in any further bankruptcy proceedings that might be pursued in the United States for Iwerks,

*Release of Court-Ordered Charges*

28. The relief sought by the Applicants in the proposed CCAA Termination Order includes the termination and extinguishment of the Directors’ Charge and the Administration Charge, on the basis set out in the CCAA Termination Order.
29. With respect to the Administration Charge, the Monitor notes that all of the Professional Fees and Disbursements (as defined below) are accounted for in the Applicants’ updated cash flow forecast. It is anticipated that all of the Professional Fees and Disbursements will be paid in full prior to the Effective Time. As such, it is appropriate for the Administration Charge to be terminated and extinguished at the Effective Time.



30. With respect to the Directors' Charge, the Monitor is not aware of any liabilities to which the directors and officers of the Applicants may be exposed, to which the Directors' Charge would respond to. The sole director has confirmed to the Monitor that he does not oppose the termination of the Directors' Charge. As such, it is appropriate that the Directors' Charge be terminated and extinguished upon the granting of the CCAA Termination Order.

Conclusion

31. Based on the absence of a viable transaction and the Applicants' inability to continue operations, the Monitor is of the view that it is appropriate for the Court to grant an order terminating these CCAA Proceedings.

**CLOSURE OF SIMB**

32. On April 12, 2024, the Applicants advised the Monitor that they intended to cause SIMB to cease operations and to terminate all employees of SIMB. As the MBO (at that time under consideration by RBC and the Monitor) did not contemplate the acquisition of the assets or employees of SIMB, and as there was no other viable transaction for the assets of SIMB, the Applicants saw no reason to continue incurring obligations with respect to SIMB's operations.
33. The Applicants advised the Monitor that all employees of SIMB would be paid in full up to termination and that no severance was payable under the laws of South Carolina. The Applicants sought the Monitor's consent with respect to the closure of SIMB.
34. After consulting with RBC, the Monitor determined that it was reasonable to support the Applicants' request to cease operations at SIMB and terminate the employees on the following basis:

- i) the assets of SIMB were not included in the MBO and there was no viable offer for the assets in the SISP;
  - j) the closure of SIMB would be cash-flow positive, as it would reduce the total payroll obligations of SIMB; and
  - k) all employees would receive outstanding wages up to the date of termination in satisfaction of their statutory entitlements under the laws of South Carolina.
35. The Applicants caused SIMB to cease operations on April 21, 2024, terminated all hourly employees, and provided notice of termination to two managers effective April 26, 2024. The Applicants have advised that payroll covering all outstanding wages up to the date of termination will be issued on April 26, 2024.

**WARNER BROTHERS DISCOVERY INC.**

36. As discussed in the Second Report, WB advised the Applicants that it was unwilling to continue discussions around the assignment of the WB Contracts and intended to terminate the WB Contracts.
37. On April 19, 2024, Thornton Grout Finnigan LLP (“**TGF**”), counsel to WB, wrote to Loopstra Nixon LLP (“**Loopstra**”), counsel to the Applicants, noting the Applicants’ inability to pay the post-filing royalties owing to WB and seeking the consent of the Monitor and the Applicants to terminate the WB Contracts (the “**TGF Letter**”). A copy of the TGF Letter is attached hereto as **Appendix “H”**.
38. In addition, the TGF Letter demanded that the Applicants take certain other steps, including:

- i) immediately ceasing the use of any intellectual property of WB;
  - j) immediately returning any materials or intellectual property to WB;
  - k) providing lists of materials that cannot be delivered; and
  - l) immediately destroying any materials that cannot be delivered.
39. Given the proposed effect of the CCAA Termination Order, there would be no benefit to the Applicants, or to its stakeholders, in refusing WB's request for consent to terminate the WB Contracts. As such, and after having confirmed the Monitor's consent, Loopstra wrote to TGF on April 22, 2024, confirming the Applicants' and the Monitor's consent to the termination of the WB Contracts (the "**Loopstra Letter**"). A copy of the Loopstra Letter is attached hereto as **Appendix "I"**.
40. On April 24, 2024, TGF sent a second letter (the "**Second TGF Letter**") to the Applicants requesting information from the Applicants in respect of WB's intellectual property. TGF also requested confirmation from Deloitte Restructuring Inc., that once appointed trustee in bankruptcy, it will continue to advance efforts to cause the orderly return or destruction of WB's intellectual property. A copy of the Second TGF Letter is attached hereto as **Appendix "J"**.
41. Loopstra responded by email to the Second TGF Letter on April 25, 2024, a copy of which is attached hereto as **Appendix "K"**. Loopstra provided TGF with a form letter that was sent to the Applicants' customers in possession of WB's intellectual property. Loopstra further undertook, on the Applicants' behalf, to provide the information requested by WB, to the extent that it was in a position to do so.

42. BLG wrote to TGF on April 25, 2024 to advise that the proposed trustee in bankruptcy is expected to have limited resources to complete the trustee in bankruptcy's statutory obligations and accordingly, is unable to accommodate WB's request. A copy of BLG's letter is attached hereto as **Appendix "L"**
43. Aird & Berlis LLP ("**A&B**"), counsel to Disney Location-Based Experiences, LLC and related entities ("**Disney**") wrote to Loopstra on April 25, 2024 seeking substantially the same consent to termination of its arrangements with the Applicants and information as was sought by WB. Loopstra, the Applicants and the Monitor are reviewing this request and will respond in due course. A copy of the A&B letter dated April 24, 2024, is attached hereto as **Appendix "M"**.

#### **FEES OF THE MONITOR AND ITS CANADIAN AND US COUNSEL**

44. The Monitor and its legal counsel have maintained detailed records of their professional time and costs since the Monitor's appointment.
45. Pursuant to paragraphs 5(b) and 28 of the Initial Order, any expenditure or liability properly made or incurred by the Monitor, including the fees of the Monitor and the fees and disbursements of its legal counsel, is authorized to be paid by the Applicants on a periodic basis, subject to the approval of this Court.
46. The Monitor is now seeking approval of its fees and disbursements, and those of its legal counsel, for the periods outlined below. The Monitor is also seeking approval of the estimated fees and disbursements of the Monitor and its legal counsel up to the Effective Time.

47. The total fees of the Monitor during the period from January 11, 2024 to March 31, 2024 (the “**Monitor’s Fee Period**”) amount to CAD \$443,060.00, together with expenses and disbursements in the amount of CAD \$13,665.36, both excluding HST (collectively, the “**Monitor’s Fees and Disbursements**”). The time spent by the Monitor’s personnel during the Monitor’s Fee Period is more particularly described in the affidavit of Jordan Sleeth sworn April 24, 2024 (the “**Sleeth Affidavit**”), in support hereof and attached hereto as **Appendix “N”**. Included at Exhibit “C” of the Sleeth Affidavit is a summary of the personnel, hours and hourly rates charged by the Monitor in respect of these CCAA Proceedings for the Monitor’s Fee Period.
48. The total fees for services of the Monitor’s US counsel, Perkins Coie LLP (“**Perkins**”) during the period from January 17, 2024 to March 28, 2024 (the “**Perkins Fee Period**”), amount to \$139,337.60, together with expenses and disbursements in the amount of \$nil (collectively, the “**Perkins Fees and Disbursements**”). Details of the time spent by Perkins personnel during the Perkins Fee Period are more particularly set out in the Sleeth Affidavit. A copy of the invoice issued by Perkins is appended at Exhibit “D” to the Sleeth Affidavit.
49. The total fees for services of the Monitor’s US counsel in Delaware, Chipman Brown Cicero & Cole, LLP (“**CBCC**”) during the period from January 18, 2024 to March 31, 2024 (the “**CBCC Fee Period**”), amount to \$34,061.25, together with expenses and disbursements in the amount of \$5,958.71 (collectively, the “**CBCC Fees and Disbursements**”). Details of the time spent by CBCC personnel during the CBCC Fee Period are more particularly set out in the Sleeth Affidavit. Copies of the invoices issued by CBCC are appended at Exhibit “D” to the Sleeth Affidavit.

50. The total fees for services of the Monitor's Canadian counsel, Borden Ladner Gervais LLP ("BLG") during the period from January 1, 2024 to April 22, 2024 (the "**BLG Fee Period**") amount to CAD \$113,811.80, together with expenses and disbursements in the amount of CAD \$798.79, both excluding HST (collectively, the "**BLG Fees and Disbursements**"). The time spent by BLG personnel during the BLG Fee Period is more particularly described in the Affidavit of Alex MacFarlane sworn April 23, 2024 (the "**MacFarlane Affidavit**"), sworn in support hereof and attached hereto as **Appendix "O"**. Exhibit "A" to the MacFarlane Affidavit is a summary of the personnel, hours, and hourly rates charged by BLG in respect of these CCAA Proceedings, for the BLG Fee Period.
51. The Monitor's fees and disbursements for the period from April 20, 2024, to the Effective Time will be calculated and billed at the standard hourly rates currently in effect. Barring unforeseen circumstances, the Monitor's Fees and Disbursements for the period from April 20, 2024, to the Effective Time are estimated not to exceed CAD \$45,000.00, as set out in the Sleeth Affidavit.
52. The BLG Fees and Disbursements for the period from April 23, 2024, to the Effective Time are estimated not to exceed CAD \$40,000, as set out in the MacFarlane Affidavit.
53. The CBCC Fees and Disbursements for the period from April 1, 2024, to the termination of the Chapter 15 Proceedings will be calculated and billed at CBCC's standard hourly rates currently in effect. Barring unforeseen circumstances, the CBCC Fees and Disbursements are estimated not to exceed \$35,000, as set out in the Sleeth Affidavit.
54. The Monitor does not anticipate that Perkins will incur any fees or disbursements in addition to the Perkins Fees and Disbursements.

55. The Monitor respectfully submits that the Monitor's Fees and Disbursements, the Perkins Fees and Disbursements, the CBCC Fees and Disbursements and the BLG Fees and Disbursements (together, the "**Professional Fees and Disbursements**") are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Initial Order. Accordingly, the Monitor seeks the approval of the Professional Fees and Disbursements at their respective standard rates, which are comparable to the rates charged for the provision of similar services by other advisory and law firms in the jurisdictions where the Monitor and its counsel operate.

#### **REMAINING ACTIVITIES AND DISCHARGE OF THE MONITOR**

56. The Monitor has substantially completed its duties and obligations as set out in the Initial Order. The principal activity remaining to be completed in these CCAA Proceedings relate to the seeking of the CCAA Termination Order and the dismissal of the Chapter 15 Proceedings.

57. The remaining activities of the Monitor in these CCAA Proceedings (the "**Remaining Matters**") include:

- a) confirming that payments have been made to satisfy any obligations under the Administration Charge;
- b) filing an assignment in bankruptcy on behalf of SimEx; and
- c) seeking a dismissal of the Chapter 15 Proceedings.

54. In the absence of a viable sale or investment transaction for the business, or assets of the Applicants, the Monitor is of the view that the termination of these CCAA Proceedings and


the release and discharge of the Monitor, in accordance with the terms of the CCAA Termination Order, is appropriate in the circumstances.

## **CONCLUSIONS AND RECOMMENDATIONS**

55. The primary objective of these CCAA Proceedings was to effect a sale or investment transaction with respect to the business or property of the Applicants. As neither the SISF nor the MBO resulted in a viable transaction, it is appropriate that these CCAA Proceedings be brought to an end.
56. For the reasons set out in this Third Report, the Monitor is of the view that the relief requested by the Applicants is appropriate and reasonable. The Monitor supports the relief sought by the Applicants in the form of the CCAA Termination Order.

All of which is respectfully submitted at Toronto, Ontario this 25<sup>th</sup> day of April, 2024.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as Court-Appointed Monitor  
of SimEx Inc., Iwerks Entertainment Inc.  
and Simex-Iwerks Myrtle Beach LLC  
and without personal or corporate liability

Per:   
Jordan Sleeth, CPA, CA, CIRP, LIT  
*Senior Vice-President*



# Appendix A



Court File No. CV-24-00713128-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MADAM ) FRIDAY, THE 19TH  
 )  
JUSTICE CONWAY ) DAY OF JANUARY, 2024  
 )

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SIMEX INC., IWERKS ENTERTAINMENT, INC.  
SIMEX-IWERKS MYRTLE BEACH, LLC (the "Applicants")

**INITIAL ORDER**

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Michael Needham sworn January 17, 2024, and the Exhibits thereto, the pre-filing report dated January 18, 2024, of the proposed monitor Deloitte Restructuring Inc. ("Deloitte"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for Deloitte, counsel for Royal Bank of Canada, counsel for BDC Capital Inc. and the other parties listed on the participant information form and no one appearing for any other party although duly served as appears from the affidavit of service of Amanda Adamo sworn January 17, 2024, and on reading the consent of Deloitte to act as the Monitor,

## **SERVICE**

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

## **APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicants are each a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

## **POSSESSION OF PROPERTY AND OPERATIONS**

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

7. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any

nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) but for greater certainty excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicants or the making of this Order or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by an Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

10. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

11. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, the Applicants shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

12. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

13. THIS COURT ORDERS that until and including January 29, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or

tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

14. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower an Applicant to carry on any business which such Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

15. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, sublicense, authorization or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

16. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods

or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

17. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

18. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

19. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct (the "D&O Indemnity").



20. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of USD \$300,000, as security for the indemnity provided in paragraph 20 of this Order, subject to the limited effect of the Director's Charge during the initial 10-days of these proceedings, prescribed by paragraph 44 hereof. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

21. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

#### **APPOINTMENT OF MONITOR**

22. THIS COURT ORDERS that Deloitte Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

24. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or

collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are

hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor, US counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of USD \$500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings, subject to the limited effect of the Administration Charge during the initial 10-day Stay Period prescribed by paragraph 43 hereof. The Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

#### **DIP FINANCING**

31. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Royal Bank of Canada (the "DIP Lender") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of USD \$600,000 unless permitted by further Order of this Court.

32. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Applicants and the DIP Lender (the "Commitment Letter"), filed.

33. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and

when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “DIP Lender’s Charge”) on the Property, subject to the limited effect of the DIP Lender’s Charge during the initial 10-day Stay Period, as prescribed by paragraph 44 hereof, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 37 and 39 hereof.

35. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender’s Charge, the DIP Lender, upon two (2) days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender’s Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender’s Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of any of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

36. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or

any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

37. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of USD \$500,000);

Second – DIP Lender's Charge (to a maximum principal amount of USD \$600,000; and

Third – Directors' Charge (to the maximum amount of USD \$300,000),

in each case subject to such limitations during the initial 10-day Stay Period prescribed by paragraph 43 hereof.

38. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

39. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, notwithstanding the order of perfection or attachment.

40. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Applicants also obtains prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

41. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

42. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

**LIMITATIONS ON DIP BORROWINGS & CHARGES DURING INTIAL STAY PERIOD**

43. THIS COURT ORDERS that notwithstanding anything to the contrary herein, during the period from and after the effectiveness of this Order and the Comeback Hearing (*as defined below*) (the “Interim Period”), the Applicants’ ability to access funding under the Commitment Letter and the scope of the Charges is limited as follows:

- (a) during the Interim Period, advances under the Commitment Letter shall be limited to the principal amount of USD \$200,000 in the aggregate, which is the amount necessary to sustain operations in this Interim Period and to satisfy obligations for payroll and source deductions;
- (b) during the Interim Period, amounts secured by the Administration Charge shall be limited to USD \$390,000 in the aggregate, which is the amount required to fund the professional costs during the Interim Period;
- (c) during the Interim Period, amounts secured by the DIP Lender’s Charge shall be limited to USD \$200,000 in the aggregate, the amount necessary to sustain operations in this Interim Period and to satisfy obligations for payroll and source deductions; and
- (d) during the Interim Period, amounts secured by the D&O Charge shall be limited to USD \$230,000 in the aggregate, which is the amount required secure the potential D&O liability during the Interim Period,

and provided that in the event the Stay Period is not extended at the Comeback Hearing the permitted borrowings under the Commitment Letter and scope of the Charges shall be permanently restricted and limited as set out in this paragraph 43, pending further order of the Court.

#### **COMEBACK HEARING**

44. THIS COURT ORDERS that the comeback motion required in this CCAA proceeding shall be heard at 11:00am (Toronto time) on January 29, 2024 (the “Comeback Hearing”).

#### **SERVICE AND NOTICE**

45. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the National Post (National Edition) a notice containing the information prescribed under the CCAA, (ii)



within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

46. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario) and paragraph 7 of the Guide, this Order shall constitute an order for substituted service pursuant to Rule 16.04. Subject to Rule 3.01(d) and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL [www.insolvencies.deloitte.ca/en-ca/SimEx](http://www.insolvencies.deloitte.ca/en-ca/SimEx).

47. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the “Service List”). The Monitor shall post the Service List, as may be updated from time to time, on the Case Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

48. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

49. THIS COURT ORDERS that the Applicants, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and Orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

### **GENERAL**

50. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

51. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

52. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

53. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Applicants to

apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1530, as amended.

54. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order at the Comeback Hearing, or at any other time, on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 38 and 40 hereof, and subject to the limitations in paragraph 44, with respect to any fees, expenses and disbursements (including amounts loaned to the Applicant pursuant to the Commitment Letter) incurred as applicable, until the date this Order may be amended, varied or stayed.

55. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without any requirement for issuance and entry.

\_\_\_\_\_ Conway J.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985 c.C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SIMEX INC., IWERKS ENTERTAINMENT, INC., SIMEX-IWERKS MYRTLE BEACH, LLC

Court File No.: CV-24-00713128-0000

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

**Proceedings commenced at Toronto**

**Initial Order**

**LOOPSTRA NIXON LLP**  
130 Adelaide Street West – Suite 2800  
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*Lawyers for the Applicants*

# Appendix B

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

THE HONOURABLE MADAM	)	MONDAY, THE 29TH
	)	
JUSTICE CONWAY	)	DAY OF JANUARY, 2024

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985 c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SIMEX INC., IWERKS  
ENTERTAINMENT, INC., SIMEX-IWERKS MYRTLE BEACH,  
LLC (the "Applicants")

**AMENDED AND RESTATED INITIAL ORDER**

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order amending and restating the Initial Order in these proceedings (the "Initial Order") originally issued on January 19, 2024 (the "Initial Filing Date") was heard this day by judicial videoconference via Zoom.

ON READING the affidavits of Michael Needham sworn January 17, 2024 and January 24, 2024 and the Exhibits thereto, the consent of Deloitte Restructuring Inc. to act as Monitor (in such capacity, the "Monitor"), the pre-filing report of Deloitte Restructuring Inc. in its capacity as the proposed Monitor dated January 18, 2024 and the first report of the Monitor dated January 26, 2024, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Royal Bank of Canada, counsel for BDC Capital Inc. and the other parties listed on the participant information form and no one appearing for any other party although duly served as appears from the affidavit of service of Amanda Adamo sworn January 24, 2024,

## **AMENDMENT AND RESTATEMENT**

1. THIS COURT ORDERS that the Initial Order shall be amended and restated with this Amended and Restated Order.

## **SERVICE**

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

## **APPLICATION**

3. THIS COURT ORDERS AND DECLARES that the Applicants are each a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

4. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

## **POSSESSION OF PROPERTY AND OPERATIONS**

5. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after the Initial Filing Date:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the Initial Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the Initial Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the Initial Filing Date.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Initial Filing Date, or where such Sales Taxes were accrued or collected prior to the



Initial Filing Date but not required to be remitted until on or after the Initial Filing Date, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) but for greater certainty excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicants or the making of this Order or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the Initial Filing Date, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the Initial Filing Date shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by an Applicant to any of its creditors as of the Initial Filing Date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations;
- (b) terminate the employment of such of their employees or temporarily lay off such of its employees as they deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, the Applicants shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing

herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

14. THIS COURT ORDERS that until and including May 3, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower an Applicant to carry on any business which such Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

16. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, sublicense, authorization or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

## **CONTINUATION OF SERVICES**

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Initial Filing Date are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

18. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Filing Date, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

19. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing Date and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

20. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct (the "D&O Indemnity").

21. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of USD \$300,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 39 and 41 herein.

22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

### **APPOINTMENT OF MONITOR**

23. THIS COURT ORDERS that Deloitte Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save

and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis.

30. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. THIS COURT ORDERS that the Monitor, counsel to the Monitor, US counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of USD \$500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

## **DIP FINANCING**

32. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Royal Bank of Canada (the "DIP Lender") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of USD \$600,000 unless permitted by further Order of this Court.

33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Applicants and the DIP Lender (the "Commitment Letter"), filed.

34. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security



documents, guarantees and other definitive documents (collectively, the “Definitive Documents”), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “DIP Lender’s Charge”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 38 and 40 hereof.

36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender’s Charge, the DIP Lender, upon two (2) days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender’s Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender’s Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of any of the Applicants; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

38. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of USD \$500,000);

Second – DIP Lender's Charge (to a maximum principal amount of USD \$600,000; and

Third – Directors' Charge (to the maximum amount of USD \$300,000).

39. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, notwithstanding the order of perfection or attachment.

41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the

Administration Charge or the DIP Lender's Charge, unless the Applicants also obtain prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

42. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

## **SALE AND INVESTMENT SOLICITATION PROCESS**

44. THIS COURT ORDERS that the sale and investment solicitation process appended hereto as **Schedule “A”** (the “SISP”) (subject to any amendments thereto that may be made in accordance with the terms thereof and with this Order) be and is hereby approved and the Applicants and the Monitor are hereby authorized and directed to carry out the SISP in accordance with its terms and the terms of this Order.

45. THIS COURT ORDERS that Applicants and the Monitor are hereby further authorized and directed to take such steps as each considers necessary or desirable in carrying out each of the respective obligations under the SISP, subject to the prior approval of this Court being obtained before the completion of any transition(s) under the SISP.

46. THIS COURT ORDERS that the Applicants and the Monitor and their respective affiliates, partners, directors, officers, employees, advisors, agents and representatives shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Applicants or the Monitor, as applicable, as determined by the Court.

47. THIS COURT ORDERS that the Applicants and Monitor may apply to this Court for advice and directions with respect to the SISP at any time.

## **PIPEDA**

48. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Applicants and the Monitor may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to carry out the SISP and to attempt to complete a transaction or transactions pursuant to the SISP (each, a "Transaction"). Each prospective purchaser, bidder or investor to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall return all such information to the Applicants, or in the alternative destroy all

such information. The purchaser, bidder or investor in any Transactions shall be entitled to continue to use the personal information provided to it, and related to the Property involved in the Transaction, in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Applicants, or ensure that all other personal information is destroyed.

## **SERVICE AND NOTICE**

49. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the National Post (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the Initial Filing Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

50. THIS COURT ORDERS that the Guide Concerning Commercial List E-Service (the “Guide”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario) and paragraph 7 of the Guide, this Order shall constitute an order for substituted service pursuant to Rule 16.04. Subject to Rule 3.01(d) and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL [www.insolvencies.deloitte.ca/en-ca/SimEx](http://www.insolvencies.deloitte.ca/en-ca/SimEx).

51. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the “Service List”). The Monitor shall post the Service List, as may be updated from time to time, on the Case Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

52. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

53. THIS COURT ORDERS that the Applicants, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and Orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

## **GENERAL**

54. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder.

55. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

56. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the

Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

57. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in any jurisdiction outside Canada, including acting as a foreign representative of the Applicants to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1530, as amended.

58. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order at the Comeback Hearing, or at any other time, on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 38 and 40 hereof, and subject to the limitations in paragraph 44, with respect to any fees, expenses and disbursements (including amounts loaned to the Applicant pursuant to the Commitment Letter) incurred as applicable, until the date this Order may be amended, varied or stayed.

59. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without any requirement for issuance and entry.

A handwritten signature in blue ink, appearing to read "Conway J.", is written above a horizontal line.

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**SCHEDULE "A"**  
**SISP TERMS AND CONDITOINS**

**[see attached]**



## Sale and Investment Solicitation Process

### SimEx Inc., Iwerks Entertainment Inc. and SimEx-Iwerks Myrtle Beach LLC

#### Introduction

1. On January 19, 2024, SimEx Inc., Iwerks Entertainment Inc., and SimEx-Iwerks Myrtle Beach LLC (together, the “**Applicants**”) obtained an initial order (that may be amended or amended and restated from time to time, the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (the “**CCAA**” and the “**CCAA Proceedings**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The Initial Order, among other things:
  - a. Provides for a stay of all proceedings against the Applicants assets, properties and undertaking and their respective directors and officers (the “**Stay of Proceedings**”); and
  - b. Appoints Deloitte Restructuring Inc. as the monitor of the Applicants (in such capacity, the “**Monitor**”).
2. On January 29, 2024, the Court granted an amended and restated initial order (the “**ARIO**”) pursuant to which, among other things:
  - a. the Stay of Proceedings was extended to and including May 3, 2024; and
  - b. the Court approved, and authorized the Monitor to conduct, a sale and investment solicitation process (the “**SISP**”), as described herein, with the assistance of the Applicants. The SISP is intended to solicit interest in an acquisition or refinancing of the business, or a sale of the assets and/or the business of the Applicants by way of merger, reorganization, recapitalization, primary equity issuance, or other similar transaction. The Monitor intends to provide all qualified interested parties with an opportunity to participate in the SISP.

#### Opportunity

3. The SISP is intended to solicit interest in and opportunities for a sale of, or investment in, all or part of the Applicants’ assets and business operations (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Applicants as a going concern, or a sale of all, substantially all or one or more components of the Applicants’ assets (the “**Property**”) and business operations (the “**Business**”) as a going concern or otherwise, or some combination thereof (each, a “**Transaction**”).
4. This document (the “**SISP Procedure**”) describes the SISP, including the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a “**Person**”) may gain access to or continue to have access to due diligence materials concerning the Applicants, the Property and the Business, how bids

involving the Applicants, the Property or the Business will be submitted to and dealt with by the Monitor and how Court approval will be obtained in respect of a Transaction.

5. The SISP contemplates a one-stage process that involves the submission by interested parties of binding offers by the Bid Deadline (as defined below).
6. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any Transaction will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Applicants, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Applicants in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders.
7. In the SISP, (i) “**Business Day**” means any day (other than Saturday or Sunday) that banks are open for business in Toronto, Ontario. If any deadline date referred to in the SISP falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase, “without limitation”.

### Timeline

8. The following table sets out the key milestones under the SISP:

<b>Milestone</b>	<b>Timeline</b>	<b>Targeted Deadline</b>
Commencement date	<b>Immediately following the approval of the SISP Process</b>	<b>January 29, 2024</b>
Preparation of SISP materials (i.e., Teaser, Investment Memorandum, Buyer list, Notices for trade publication, NDA, populate EDR)	<b>10 days (in advance, immediately after the Initial Order)</b>	<b>January 29, 2024</b>
Bid Deadline	<b>[45 days]</b>	<b>March 14, 2024</b>
Auction Date (if applicable)	<b>[1 day]</b>	<b>March 21, 2024</b>
Finalize Transaction agreement	<b>7 days</b>	<b>March 29, 2024</b>
Sale Approval Motion (as defined below) in Court		<b>April 19, 2024 (outside date)</b>
Closing of the Transaction		<b>May 3, 2024 (outside date)</b>

9. The dates set out in the SISP may be extended by either: (i) further order of the Court; or (ii) the Monitor, with the consent of Royal Bank of Canada.

### Solicitation of Interest: Notice of the SISP

10. As soon as reasonably practicable:

- a. the Monitor, in consultation with the Applicants, will prepare a list of potential bidders, including (i) parties that have approached the Applicants or the Monitor indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Applicants, in consultation with the Monitor, believe may be interested in a Transaction pursuant to the SISP, in each case whether or not such party has submitted a letter of intent or similar document (collectively, “**Known Potential Bidders**”);
- b. the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor, in consultation with the Applicants, considers appropriate) (the “**Notice**”) to be published in *Insolvency Insider*, the Monitor’s website, and any other newspaper or journal or industry website as the Applicants, in consultation with the Monitor, consider appropriate, if any; and
- c. the Monitor, in consultation with the Applicants, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement in form and substance satisfactory to the Applicants and the Monitor and their respective counsel (an “**NDA**”).

11. The Monitor will send the Teaser Letter and NDA to each Known Potential Bidder and to any other Person who requests a copy of the Teaser Letter and NDA or who is identified to the Applicants or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

### **Potential Bidders and Due Diligence Materials**

12. Any party who wishes to participate in the SISP (a “**Potential Bidder**”), must provide to the Monitor an NDA executed by it, and which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

13. The Monitor, in consultation with the Applicants, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Monitor and provided information as to their financial ability, in the Monitor’s sole discretion, to close a transaction, such access to due diligence material and information relating to the Property and Business as the Applicants or the Monitor deem appropriate. Due diligence shall include access to an electronic data room (“**EDR**”) containing information about the Applicants, the Property and the Business, and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Applicants, in their reasonable business judgment and after consulting with the Monitor, may agree. The Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated. Neither the Applicants nor the Monitor will be obligated to furnish any

information relating to the Property or Business to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders if the Applicants, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information. Neither the Applicants nor the Monitor is responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the Sale of the Property and the Business.

14. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Applicants.

### **Formal Binding Offers**

15. Potential Bidders that wish to make a formal offer to purchase or make an investment in the Applicants or their Property or Business (a “**Bidder**”) shall submit a binding offer (a “**Bid**”) that complies with all of the following requirements to the Monitor and Applicants’ counsel at the addresses specified in Schedule “1” hereto (including by e-mail), so as to be received by them not later than **5:00 PM (EST) on March 14, 2024** or as may be modified in the Bid process letter that may be circulated by the Monitor to Potential Bidders, with the approval of the Applicants (the “**Bid Deadline**”):

- a. the Bid must be either a binding offer to:
  - i. acquire all, substantially all or a portion of the Property (a “**Sale Proposal**”); and/or
  - ii. make an investment in, restructure, reorganize or refinance the Business or the Applicants (an “**Investment Proposal**”); or
- b. carry out any combination of a Sale Proposal and an Investment Proposal;
- c. the Bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Applicants or their Property or Business and is consistent with any necessary terms and conditions established by the Applicants and the Monitor and communicated to Bidders;
- d. the Bid includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- e. the Bid includes duly authorized and executed Transaction agreements, including the purchase price, investment amount (the “**Purchase Price**”), together with all exhibits and schedules thereto;

- f. the Bid is accompanied by a deposit (the “**Deposit**”) in the form of a wire transfer (to a trust account specified by the Monitor), in an amount equal to ten percent (10%) of the Purchase Price, investment amount or other consideration to be paid in respect of the Bid, to be held and dealt with in accordance with this SISP;
- g. the Bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Applicants and the Monitor to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
- h. the Bid is not conditioned on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, but may be conditioned upon the Applicants receiving the required approvals or amendments relating to the licenses required to operate the business, if necessary;
- i. the Bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is otherwise participating or benefiting from such bid;
- j. for a Sale Proposal, the Bid includes:
  - i. the purchase price in U.S. dollars and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
  - ii. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
  - iii. a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
  - iv. a description of the conditions and approvals required to complete the closing of the transaction;
  - v. a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume; and
  - vi. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction.
- k. for an Investment Proposal, the Bid includes:
  - i. a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization, and a description of any non-cash consideration;

- ii. the aggregate amount of the equity and/or debt investment to be made in the Business or the Applicants in U.S. dollars.
  - iii. the underlying assumptions regarding the pro forma capital structure;
  - iv. a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
  - v. a description of the conditions and approvals required to complete the closing of the transaction;
  - vi. a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume; and
  - vii. any other terms or conditions of the Investment Proposal.
- l. the Bid includes acknowledgements and representations of the Bidder that the Bidder:
- i. is completing the Transaction on an “as is, where is” basis;
  - ii. has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Applicants prior to making its Bid;
  - iii. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and
  - iv. did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Applicants;
- m. the Bid is received by the Bid Deadline; and
- n. the Bid contemplates closing the Transaction set out therein immediately following the granting of an order by the Court approving the same.
17. Following the Bid Deadline, the Monitor will assess the Bids received. The Monitor, in consultation with the Applicants and Royal Bank of Canada and will designate the most competitive bids that comply with the foregoing requirements to be “**Qualified Bids**”. No Bids received shall be deemed not to be Qualified Bids without the approval of the Monitor. Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

18. The Monitor, in consultation with the Applicants and Royal Bank of Canada, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Bids to be a Qualified Bid. The Monitor and the Applicants will be under no obligation to negotiate identical terms with, or extend identical terms to, each Bidder.
19. The Monitor shall notify each Bidder in writing as to whether its Bid constituted a Qualified Bid within two (2) business days of the Bid Deadline, or at such later time as the Monitor deems appropriate .
20. The Monitor may, in consultation with the Applicants, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

### **Evaluation of Competing Bids**

21. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such Transaction(s), (iii) the proposed Transaction documents, (iv) factors affecting the speed, certainty and value of the Transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, (vii) the likelihood and timing of consummating such Transaction, each as determined by the Applicants and the Monitor and (viii) any other factor deemed relevant by the Monitor in consultation with the Applicants.

### **Auction**

22. If the Monitor receives at least two Qualified Bids and determines, in consultation with the Applicants and Royal Bank of Canada that they are competitive, the Monitor will conduct and administer an Auction in accordance with the terms of this SISP (the “**Auction**”). Instructions to participate in the Auction, which will take place via video conferencing, or in person, as determined by the Monitor, and will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.
23. Only parties that provided a Qualified Bid by the Bid Deadline, as confirmed by the Monitor, (collectively, the “**Qualified Parties**”), shall be eligible to participate in the Auction. No later than 5:00 p.m. (EST) on the day prior to the Auction, each Qualified Party must inform the Monitor whether it intends to participate in the Auction. The Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction.

### **Auction Procedure**

24. The Auction shall be governed by the following procedures:
  - a. **Participation at the Auction.** Only the Applicants, the Qualified Parties, the Monitor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction. The Monitor shall provide all Qualified Bidders with the details of the lead bid by 5:00 PM (EST) by no later than five (5) days after the

Bid Deadline. Each Qualified Bidder must inform the Monitor whether it intends to participate in the Auction no later than 5:00 PM (EST) on the Business Day prior to the Auction;

- b. **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid;
- c. **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Monitor, in consultation with the Applicants (the “**Initial Bid**”), and any bid made at the Auction by a Qualified Party subsequent to the Monitors announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of USD \$50,000;
- d. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference or otherwise, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the Monitor, in its discretion, may establish separate video conference rooms to permit interim discussions between the Monitor and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;
- e. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s);
- f. **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded; and
- g. **Auction Procedures.** The Monitor shall be at liberty to set additional procedural rules at the Auction as it sees fit.

### **Selection of Successful Bid**

25. Before the conclusion of the Auction, the Monitor, in consultation with the Applicants, will:

- a. review and evaluate each Qualified Bid, considering the factors set out in paragraph 16 and any other factor that the Applicants or the Monitor may reasonably deem relevant, provided that each Qualified Bid may be negotiated among the Monitor



in consultation with the Applicants and the Qualified Bidder, and may be amended, modified or varied to improve such Qualified Bid as a result of such negotiations; and

- b. identify the highest or otherwise best bid received at the Auction (the “**Successful Bid**” and the Qualified Party making such bid, the “**Successful Party**”).
26. The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the Monitor, in consultation with the Applicants, subject to the milestones set forth in paragraph 9.

### **Sale Approval Motion Hearing**

27. At the hearing of the motion to approve any transaction with a Successful Party (the “**Sale Approval Motion**”), the Monitor or the Applicants shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Monitor and the Applicants on and as of the date of approval of the Successful Bid by the Court.

### **Confidentiality and Access to Information**

28. All discussions regarding a Sale Proposal, Investment Proposal, or Bid should be directed through the Monitor. Under no circumstances should the management of the Applicants be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.
29. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any Bids submitted or the details of any confidential discussions or correspondence between the Applicants, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Applicants, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Qualified Bidders.

### **Supervision of the SISP**

30. The Monitor shall oversee and conduct the SISP, in all respects, and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in this SISP Procedure and the ARIO and any other orders of the Court, and is entitled to receive all information in relation to the SISP.
31. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Applicants or the Monitor and any Potential Bidder, any Qualified Bidder or any other Person, other than as specifically set forth in a definitive agreement that may be entered into with the Applicants.

32. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Applicants, the DIP Lender, or any other creditor or other stakeholder of the Applicants, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a bid, each Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.
33. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction.
34. The Monitor, in consultation with the Applicants, shall have the right to modify the SISP Procedure (including, without limitation, pursuant to the Bid process letter) if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in these CCAA proceedings shall be advised of any substantive modification to the procedures set forth herein.

### **Deposits**

35. All Deposits received pursuant to this SISP shall be held in trust by the Monitor. The Monitor shall hold Deposits paid by each of the Bidders in accordance with the terms outlined in this SISP. In the event that a Deposit is paid pursuant to this SISP and the Monitor elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the Person that paid such Deposit, the Monitor shall return the Deposit to that Person. In the event that the Successful Bidder defaults in the payment or performance of any obligations owed to the Monitor or the Applicants pursuant to any Final Agreement, the Deposit paid by the Successful Bidder, as applicable, shall be forfeited as liquidated damages and not as a penalty.

**Schedule “1”**

**Address of Monitor**

**To the Monitor:**

**Deloitte Restructuring Inc.**

8 Adelaide Street West, Suite 200  
Toronto, ON, Canada, M5H 0A9

Attention: Jordan Sleeth and Richard Williams

Email:

[jsleeth@deloitte.ca](mailto:jsleeth@deloitte.ca)  
[richwilliams@deloitte.ca](mailto:richwilliams@deloitte.ca)

with a copy to:

**Borden Ladner Gervais LLP**

Bay Adelaide Centre – East Tower  
22 Adelaide Street West, Suite 3400  
Toronto, Ontario M5H 4E3

Attention: Roger Jaipargas

Email: [rjaipargas@blg.com](mailto:rjaipargas@blg.com)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985 c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SIMEX INC., IWERKS ENTERTAINMENT, INC., SIMEX-IWERKS MYRTLE BEACH, LLC

Court File No.: CV-24-00713128-0000

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

**Proceedings commenced at Toronto**

**Amended and Restated Initial Order**

**LOOPSTRA NIXON LLP**

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*Lawyers for the Applicants*

# Appendix C

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF  
COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
SIMEX INC., IWERKS ENTERTAINMENT INC., AND  
SIMEX-IWERKS MYRTLE BEACH LLC**

**REPORT OF THE PROPOSED MONITOR  
January 18, 2024**

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## INTRODUCTION

1. Deloitte Restructuring Inc. (“**Deloitte**” or the “**Proposed Monitor**”) understands that SimEx Inc. (“**SimEx**”), Iwerks Entertainment Inc. (“**Iwerks**”) and Simex-Iwerks Myrtle Beach LLC (“**SIMB**” and, together with SimEx and Iwerks, the “**Applicants**”) will be bringing an application before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) to commence proceedings under the Companies’ Creditors Arrangement Act (the “**CCAA**”) and seek an order (the “**Proposed Initial Order**”), among other things, granting a stay of proceedings (the “**Stay Period**”). The Applicants propose that Deloitte be appointed as Monitor of the Applicants (in such capacity, the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”).
2. In the event the Proposed Initial Order is granted, the Applicants intend to return to the Court within ten days on January 29, 2024 (the “**Comeback Hearing**”, and the intervening period, the “**Comeback Period**”) to request that the Court grant an amended and restated initial order (the “**ARIO**”) that would, *inter alia*,:
  - a) extend the Stay Period to allow the Applicants to pursue a Sale and Investment Solicitation Process (“**SISP**”); and
  - b) certain other relief that will be specified in the draft ARIO.
3. This report (the “**Report**”) has been prepared by the Proposed Monitor to provide information to the Court for its consideration at the Applicants’ initial hearing seeking protection under the CCAA.

## PURPOSE

4. The purpose of this Report is to provide information to the Court on:

- a) Deloitte's qualifications to act as Monitor;
- b) background information with respect to the Applicants;
- c) an overview of the Applicants' 15-week cash flow forecast (the "**Cash Flow Forecast**") and the proposed DIP Facility;
- d) the proposed SISP;
- e) the relief being sought by the Applicants in the Proposed Initial Order; and
- f) the Proposed Monitor's conclusions and recommendations.

#### **TERMS OF REFERENCE AND DISCLAIMER**

5. In preparing this Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Applicants, and discussions with management of the Applicants ("**Management**") (collectively, the "**Information**").
6. The Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Monitor 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 Generally Accepted Assurance Standards ("**Canadian GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook*, and accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.

7. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts, as outlined in the *Chartered Professional Accounts Canada Handbook*, has not been performed.
8. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
9. Unless otherwise stated, all monetary amounts noted herein are expressed in U.S. dollars, the Applicants' reporting currency.

#### **DELOITTE'S QUALIFICATIONS TO ACT AS MONITOR**

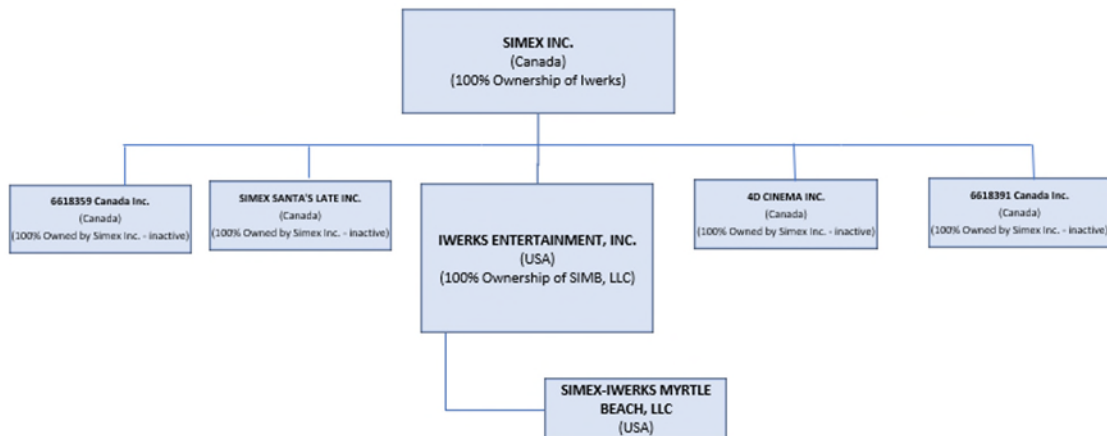
10. Deloitte is a licensed insolvency trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). Deloitte is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.
11. As discussed in greater detail herein, Deloitte has obtained a detailed understanding of the Applicants' businesses, as it has been engaged as a financial advisor to the Royal Bank of Canada ("**RBC**") since November 10, 2023. In preparation for the potential appointment as Monitor, Deloitte has spent time with Management to understand the Applicants' operations and debt structure as more fully described in this Report.
12. Deloitte has consented to act as Monitor, should the Court grant the Applicants' request for the Proposed Initial Order. Deloitte's Consent is attached as Exhibit "Q" to the Affidavit

of Michael Needham, sworn January 17, 2024 (the “**Initial Needham Affidavit**”), that is included in the Application Record of the Applicants.

- The Proposed Monitor has retained Borden Ladner Gervais LLP to act as its independent counsel.

### **BACKGROUND INFORMATION WITH RESPECT TO THE APPLICANTS**

- This Report should be read in conjunction with the Initial Needham Affidavit for additional background information with respect to the Applicants, upon which the Proposed Monitor relies.
- The organizational structure of the Applicants is as follows:



- Common shareholders owning more than 10% of the outstanding common shares of SimEx are Michael J. Needham Enterprises Ltd. (38.96%) and Shiori Sudo (15.87%). The balance of the common shares are held by 80 other individual and corporate shareholders.
- The Applicants’ primary business is the design and manufacture of 4D film experiences and motion-based theatres. The Applicants also own and operate one fully themed

attraction and maintain an extensive catalog of films including both licensed and original content.

18. A core element of the Applicants' business is the Attraction Co-Venture ("ACV") division, which the Applicants began 20 years ago to focus on the institutional market in the United States, consisting of large zoos, aquariums and museums.
19. ACV installations are governed by long-term contracts, typically ranging from five to six years, and have a renewal rate of approximately 80%. Under ACV contracts, SimEx installs theatre hardware and provides original or licensed content for the theatres. Revenues are subject to revenue-sharing arrangements, as set out in the ACV contracts.
20. An overview of the Applicants' operating entities is as follows:
  - a) SimEx is a private Canadian corporation incorporated under the laws of Ontario. SimEx and Iwerks operate together as Simex-Iwerks Entertainment to produce and install theatre attractions and distribute film content;
  - b) Iwerks is a Delaware corporation and is a wholly owned subsidiary of SimEx;
  - c) SIMB is a South Carolina limited liability company and is a wholly owned subsidiary of Iwerks. SIMB operates a themed attraction in Myrtle Beach, "The Simpsons in 4D"; and
  - d) 6618359 Canada Inc., Simex Santa's Late Inc., 4D Cinema Inc. and 6618391 Canada Inc. are each inactive, single-use production companies, all of which are not Applicants in the CCAA Proceedings.

21. The Applicants maintain premises in Mississauga, Toronto, Baltimore, Myrtle Beach and Santa Clarita and employ 76 people as more fully described in the Initial Needham Affidavit.
22. None of the Applicants' employees are unionized and the Applicants do not maintain any registered pension plans.
23. The Applicants' fiscal year end ("FY") was June 30<sup>th</sup> of each calendar year until 2021, when it was changed to December 31<sup>st</sup> of each calendar year.

*Cash Management Systems*

24. The cash management systems (the "**CMS**") of the Applicants are as follows:
  - a) Each Applicant maintains several bank accounts (the "**Accounts**");
  - b) The structure of the Accounts maintained by SimEx is as follows:
    - i. SimEx historically maintained two deposit accounts managed through RBC Express (Canadian Dollar and US Dollar), which were linked to a revolving operating line provided by RBC (the "**Operating Line**") (it no longer revolves). The accounts are used to receive customer payments and process disbursements. Following the failure to pay the interest payment due on January 2, 2024 the disbursements are now based on there being an available balance so that SimEx doesn't go into an overdraft position.
    - ii. SimEx maintains a foreign currency account managed through RBC's Foreign Currency Account Portal. The Proposed Monitor understands that this account is used to receive foreign currency payments and convert the payments into USD or CAD currency, as required by SimEx;

- iii. Cheques, electronic fund transfers (“**EFTs**”) and wires require the signature or approval of two signing officers, while online bill payments require the approval of one of a smaller set of signing officers; and
  - iv. Receipts by cheque are rare and are deposited at a branch when received;
- c) The structure of the Accounts maintained by Iwerks and SIMB is as follows:
- i. There is one USD account for Iwerks with Wells Fargo Bank (“**Wells Fargo**”) in the United States which is used to collect payments and to fund payroll and other disbursements;
  - ii. There is one account for SIMB with Wells Fargo in the United States which is used to fund SIMB payroll;
  - iii. Cheque payments are rare. As with the Canadian operations, cheque payments, ACH payments and wires require two signatures. Signing officers are the same as for Canadian operations; and
  - iv. Receipts by cheque are common for Iwerks and are delivered to the Santa Clarita office where they are deposited by a local employee using mobile deposit functionality.
25. The Proposed Monitor understands that the CMS are highly centralized and managed almost entirely from the corporate head office in Toronto.

*Senior Secured Debt*

26. The Applicants’ senior secured lenders are RBC and BDC Capital Inc. (“**BDC**”).
27. The table below summarizes the Applicants’ secured obligations:

<b>SimEx Inc. - Summary of Secured Debt</b>			
(\$000s)			
	<b>Principal and Interest (CAD)</b>	<b>Principal and Interest (USD)</b>	<b>Total P&amp;I - USD</b> <i>(CAD:USD = 0.74)</i>
RBC - Operating Line (CAD)	1,573	-	1,164
RBC - Operating Line (USD)	-	4,956	4,956
RBC - EGF Facility	-	4,842	4,842
RBC - EDC BCAP Facility	2,868	-	2,122
RBC - BDC BCAP Facility	1,724	-	1,276
RBC - HASCAP Facility	648	-	480
BDC Capital Inc.	-	1,413	1,413
	<b>6,813</b>	<b>11,211</b>	<b>16,253</b>

28. RBC and SimEx are party to an amended and restated loan agreement dated March 31, 2023 (the “**RBC Credit Agreement**”). The RBC Credit Agreement governs four credit facilities available to SimEx, which include:

- a) a US\$6,000,000 revolving demand facility (the “**Operating Line**”);
  - b) a US\$5,500,000 revolving term loan facility used for the finance of export contracts (the “**EGF Facility**”);
  - c) a CAD\$6,250,000 multi-draw term loan facility (the “**EDC BCAP Facility**”) made available under the Export Development Canada (“**EDC**”) Business Credit Availability Program (“**BCAP**”); and
  - d) a CAD\$3,125,000 non-revolving term loan facility (the “**BDC BCAP Facility**”) made available under BDC’s BCAP.
29. RBC and SimEx are also party to a credit agreement dated July 20, 2021 (the “**RBC HASCAP Agreement**”). The RBC HASCAP Agreement governs a \$1,000,000 non-revolving term loan facility (the “**HASCAP Facility**”) made available under BDC’s Highly Affected Sectors Credit Availability Program (“**HASCAP**”).



30. The amounts outstanding under each of the facilities made available pursuant to the RBC Credit Agreement and the RBC HASCAP Agreement (the “**RBC Facilities**”) as at January 17, 2024 are set out in the table above.
31. BDC and SimEx are party to a Letter of Offer dated June 15, 2018 (the “**BDC Letter**”). Pursuant to the BDC Letter, BDC provided a US\$2,500,000 term loan (the “**BDC Loan**”) to SimEx, repayable in fixed monthly instalments followed by a balloon payment after 24 months. The maturity date of the BDC Loan was extended to February 1, 2024.
32. The Applicants, RBC and BDC are parties to a Subordination and Priorities Agreement dated June 29, 2018 (the “**Intercreditor Agreement**”).
33. The Proposed Monitor understands that both RBC and BDC (together, the “**Secured Lenders**”) are supportive of the CCAA Proceedings.

*Other Debt*

34. The Proposed Monitor understands that the Applicants’ only other secured creditors are equipment lessors in respect of office and photocopy equipment, as discussed in the Initial Needham Affidavit;
35. The Applicants other long-term liabilities include amounts owing to employees who participated in a cost reduction program in 2018, as well as shareholder loans and contingent liabilities associated with severance arrangements made in 2021 with two senior executives.
36. As of January 17, 2023, the Applicants records include outstanding trade payables of \$3,991,597.

## RECENT FINANCIAL RESULTS AND CAUSES OF FINANCIAL DIFFICULTY

37. As described in the Initial Needham Affidavit, the Applicants began experiencing financial difficulties in FY 2018, as a result of large cost overruns on a film attraction project (the “**Project**”) resulting in defaults of debt to EBITDA covenants in the Applicants’ then existing credit agreement with RBC for quarters ending September 30, 2017 and December 31, 2017.
38. The Applicants’ financial difficulties worsened in FY 2019. The Applicants’ projections provided to RBC in October 2018 indicated ongoing covenant defaults through June, 2019. SimEx was transferred to RBC’s Special Loans and Advisory Services (“**SLAS**”) group in November, 2018.
39. The Applicants’ financial difficulties continued through the balance of FY 2019, driven by poor revenues associated with the Project once it was fully operational in April, 2019. However, by December, 2019 the Applicants’ financial performance had begun to improve and Management anticipated an exit from SLAS in the spring of 2020.
40. The onset of the COVID-19 pandemic (“**COVID**”) in March, 2020 had a devastating impact on the Applicants’ business. As the Applicants’ revenues are driven almost entirely by attractions such as zoos, entertainment parks and aquariums, all of which were shuttered for extensive periods during COVID, revenues fell sharply in the period 2020 – 2022.
41. In order to mitigate the impact of revenue losses and cover operating expenses, the Applicants took on significant additional debt through the EDC BCAP Facility, the BDC BCAP Facility and the HASCAP Facility. The Applicants also benefited from significant government rent and wage subsidies in both Canada and the United States.

42. While many attractions saw increases in business through 2022 and 2023, the Applicants’ revenues have yet to return to pre-pandemic levels. At current revenue levels, the Applicants have been unable to support the material increase in debt service costs incurred to survive the COVID period.

43. The Applicants’ recent financial performance is summarized in the following table:

**Summary of Financial Results**

**USD \$000s**

<b>For the fiscal year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>
Revenue	22,573	30,029	10,811	15,844	16,410	15,611
Earnings (Loss) from Operation	560	(349)	(5,366)	(1,821)	(447)	(938)
Net Income	(612)	(1,691)	(14,854)	(3,123)	(2,989)	(5,004)

**OVERVIEW OF THE APPLICANTS’ CASH FLOW FORECAST**

44. The Applicants, with the assistance of the Proposed Monitor, have prepared the Cash Flow Forecast for the period from the week ending January 19, 2024 to May 3, 2024 (the “**Forecast Period**”). A copy of the signed Cash Flow Forecast, notes and a report containing the prescribed representations of the Applicants regarding the preparation of the Cash Flow Forecast are attached hereto as **Appendix “A”**. A summary of the Cash Flow Forecast is set out below.

<b>SimEx!Iwerks</b>			
<b>15-Week Cash Flow Forecast</b>			
<b>For the period January 19, 2024 to May 3, 2024</b>			
<b>(in USD)</b>			
<b>Week #</b>	<b>0-1</b>	<b>2-15</b>	
<b>Month</b>	<b>Pre-</b>	<b>Post-</b>	<b>Total</b>
<b>Week Ending</b>	<b>Comeback</b>	<b>Comeback</b>	
<b>Operating Receipts</b>			
Customer receipts	260,619	3,652,491	3,913,111
HST refunds	-	39,898	39,898
<b>Total Operating Receipts</b>	<b>260,619</b>	<b>3,692,389</b>	<b>3,953,009</b>
<b>Operating Disbursements</b>			
Employee costs	(220,000)	(1,858,725)	(2,078,725)
Selling, general and administrative costs	(42,294)	(501,888)	(544,182)
Rent costs	-	(367,123)	(367,123)
Vendor payments	(5,000)	(324,498)	(329,498)
Contingency costs	(20,000)	(140,000)	(160,000)
<b>Total Operating Disbursements</b>	<b>(287,294)</b>	<b>(3,192,235)</b>	<b>(3,479,529)</b>
<b>Operating Cash Flow</b>	<b>(26,675)</b>	<b>500,154</b>	<b>473,480</b>
<b>Restructuring Costs</b>			
Professional fees	-	(983,333)	(983,333)
<b>Total Restructuring Costs</b>	<b>-</b>	<b>(983,333)</b>	<b>(983,333)</b>
<b>Net Operating Cash Flow before Debt Service</b>	<b>(26,675)</b>	<b>(483,179)</b>	<b>(509,854)</b>
<b>Debt Service</b>			
Debt service	-	-	-
<b>Net Cash Flow</b>	<b>(26,675)</b>	<b>(483,179)</b>	<b>(509,854)</b>
<b>Operating Line</b>			
Opening	5,940,000	5,966,675	5,940,000
Net cash flow	(26,675)	(483,179)	(509,854)
Closing	<b>5,966,675</b>	<b>6,449,854</b>	<b>6,449,854</b>
Operating line limit	6,000,000	6,000,000	6,000,000
<b>Excess/(Deficiency)</b>	<b>33,325</b>	<b>(449,854)</b>	<b>(449,854)</b>

45. The Cash Flow Forecast is presented on a weekly basis during the Forecast Period and represents Management’s best estimate of the projected cash flow during the Forecast Period. The Cash Flow Forecast has been prepared by Management, using the probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast (the “Assumptions”).
46. The Proposed Monitor has reviewed the Cash Flow Forecast through inquiries, analytical procedures and discussions, and a review of the supporting documents relating to the

Information supplied to the Proposed Monitor by Management. Based on the Proposed Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:

- a) the Assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - b) as at the date of the Report, the Assumptions are not suitably supported and consistent with the plans for the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or
  - c) the Cash Flow Forecast does not reflect the Assumptions.
47. Since the Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Cash Flow Forecast or relied upon by the Proposed Monitor in preparing this Report.
48. The Cash Flow Forecast has been prepared solely for the purposes described above, and readers are cautioned that it may not be appropriate for other purposes.
49. Based on the underlying assumptions, the Cash Flow Forecast indicates that the Applicants would require interim financing of up to \$458,287 during the Forecast Period. There is no remaining availability under the RBC Facilities. However, RBC has agreed, subject to Court approval, to provide interim financing of up to \$600,000 pursuant to a term sheet

dated January 17, 2024 (the “**DIP Facility Agreement**” and the “**DIP Facility**”) which is discussed in greater detail herein.

50. The Cash Flow Forecast does not indicate any draws will be required under the DIP Facility prior to the date of the Comeback Hearing. However, the Applicants advise that there is a high degree of uncertainty with respect to the timing of customer receipts in the interim period. If those receipts were delayed, the Applicants would be unable to fund payroll obligations in the week ending January 26, 2024. The Monitor estimates the Applicants may require access to up to \$200,000 of the DIP Facility if customer receipts are delayed.

## **DIP FACILITY**

51. Based on the Cash Flow Forecast, the Applicants will not have sufficient liquidity to continue normal course operations in the absence of additional financing. As noted above, the Cash Flow Forecast indicates a funding requirement of \$449,854 for the Forecast Period to maintain sufficient liquidity in each week, with a peak requirement of \$458,287 forecast to occur in the week ending February 2, 2024.
52. In light of this, the Applicants are seeking the Court’s approval of the DIP Facility. The material terms of the DIP Facility are as follows:

<b>DIP Facility Agreement<sup>1</sup></b>	
Loan Amount	<ul style="list-style-type: none"><li>• \$600,000 non-revolving term facility</li></ul>
Initial DIP Lender	<ul style="list-style-type: none"><li>• Royal Bank of Canada (the “<b>Bank</b>”)</li></ul>
Interest Rate	<ul style="list-style-type: none"><li>• Royal Bank US Prime Rate (RBUSPR) + 2%</li></ul>

<sup>1</sup> Any defined terms referenced in this chart, but not otherwise defined in this Report, have the meanings ascribed to such term in the DIP Facility Agreement.

<b>DIP Facility Agreement<sup>1</sup></b>	
	<ul style="list-style-type: none"><li>• RBUSBR at January 17, 2024 is 9.0%, giving an effective interest rate of 11.0%</li></ul>
Advances	<ul style="list-style-type: none"><li>• Borrower to deliver a Borrowing Request substantially in the form of Schedule "C" appended to the DIP Facility Agreement</li></ul>
Conditions Precedent to Advances	<ul style="list-style-type: none"><li>• Issuance of the Proposed Initial Order approving the DIP Facility and the DIP Charge;</li><li>• Absence of any material adverse change in respect of the Borrower or any Guarantor after the date of the Proposed Initial Order;</li><li>• Delivery of a duly executed copy of the DIP Facility Agreement.</li><li>• Delivery of such financial or other information or other documents relating to the Borrower or any Guarantor as the Bank may reasonably require;</li><li>• Compliance with the milestones set out in the SISF to the Bank's satisfaction;</li><li>• Material compliance with the Cash Flow Forecast; and</li><li>• Such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.</li></ul>
Maturity	<ul style="list-style-type: none"><li>• Earlier of May 3, 2024 or material noncompliance with Conditions Precedent.</li></ul>

53. The Proposed Monitor has reviewed the terms of various DIP funding facilities granted in insolvency and restructuring proceedings of a similar size and nature in Ontario in 2022 and 2023. The Proposed Monitor has prepared a summary upon which its review of the proposed DIP Facility was based (the “**Comparative DIP Summary**”), a copy of which is attached as **Appendix “B”**.

54. The following table summarizes the observed interest rates in the Comparative DIP Summary:

	<u>Comparables</u>
Maximum	27.2%
Mean	13.7%
Minimum	5.0%

55. The Proposed Monitor notes that the proposed DIP does not contain any fees, commitments or other ancillary charges typically found in similar DIP lending agreements. The interest rate in the DIP Facility Agreement is below the mean interest rate observed and summarized in the Comparative DIP Summary.

56. Furthermore, given the urgency of the Applicants’ financial situation, arranging for alternative interim financing would be challenging and could result in the cessation of the Applicants’ business, which would materially impact the value of the Applicants’ business on a going concern basis.

57. The Proposed Monitor has compared the terms of the proposed DIP Facility to recently issued DIP loans reported in the Insolvency Insider and confirms that the terms of the proposed DIP Facility are consistent with or more favourable than those approved in other CCAA proceedings.



58. Accordingly, the Proposed Monitor is satisfied that the terms of the DIP Facility Agreement do not appear to materially prejudice other lenders or financial stakeholders.
59. The Proposed Monitor therefore recommends the approval of the DIP Facility Agreement.

## **SALE AND INVESTMENT SOLICITATION PROCESS**

60. The Proposed Monitor has been advised by RBC that a key condition of RBC’s support for these CCAA Proceedings is the maximization of realizations through the SISP.
61. The Monitor, in consultation with the Applicants, has developed the SISP to solicit sale and investment proposals from potentially interested parties. A copy of the SISP procedures (the “**SISP Procedures**”) is attached hereto as **Appendix “C”**.
62. The following table summarizes the key activities and milestones related to the SISP. Potentially interested parties should review the full terms of the SISP Procedures with their counsel, as the table below sets out a summary of key terms only. The summary below is qualified in its entirety by the actual terms of any SISP granted by the Court, and all capitalized terms shall have the meaning ascribed to them in the SISP Procedures.

<b>SISP Step</b>	<b>Dates</b>
SISP approval	January 19, 2024 at initial hearing
Preparatory steps (i.e., creation and population of electronic data room, preparation of teaser and confidential investment memo, identification of potential purchasers/investors, arrange publication in newspaper, trade publication)	January 19 – 29, 2024
Launch (i.e., contact Potential Bidders with teaser, NDA, grant access to EDR, etc.)	January 29, 2024

SISP Step	Dates
Bid deadline	March 14, 2024 (45 days from launch)
Bid analysis	March 15-18, 2024
Auction notification to Bidders (if applicable)	March 19, 2024
Auction date	March 21, 2024
Negotiate definitive agreement –	March 22-29, 2024
Court hearing to approve transaction (outside date)	April 19, 2024
Close transaction (outside date)	May 3, 2024

63. The Monitor makes the following observations regarding the proposed SISP:
- a) Pursuant to the SISP Procedures, the Monitor shall administer and be responsible for all material elements of the SISP, although it will consult with the Applicants where the Monitor deems it appropriate;
  - b) the SISP offers sufficient flexibility to address potential issues as they arise;
  - c) the length of the SISP, while abbreviated, is appropriate given the liquidity pressures facing the Applicants. While the Monitor will identify potential purchasers and/or investors in the Comeback Period, they will not be contacted until after the issuance of the ARIO, if issued, to ensure that the Applicants and the Monitor can focus on addressing stakeholder concerns, if any, during the Comeback Period;
  - d) the SISP provides the Applicants with an opportunity to continue as a going concern and preserve jobs for the Applicants' employees; and

e) the SISP Procedures, particularly the ability to conduct an auction among competitive bidders, allow for third party bidders to increase proceeds for the benefit of the Applicants' stakeholders.

64. For the reasons set out above, the Monitor is supportive of the proposed SISP and recommends that the Court approve same.

### **PROPOSED CHARGES**

65. The Proposed Initial Order provides for three priority charges (the "**Proposed Charges**") ranking in the following order (each as defined below):

- a) the Administration Charge;
- b) the DIP Charge; and
- c) the Directors' Charge.

66. A summary of the Proposed Charges is set out in the table below.

<b>Priority Waterfall</b>			
<b>Priority</b>	<b>Proposed Charge</b>	<b>Initial Order</b>	<b>ARIO</b>
First	Administration Charge	\$ 390,000	\$ 500,000
Second	DIP Charge	\$ 200,000	\$ 600,000
Third	Directors Charge	\$ 230,000	\$ 300,000

67. Based on the Proposed Initial Order, each of the Proposed Charges shall constitute a charge on all the property of the Applicants and the Proposed Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise in favour of any person, other than any existing secured creditors who have not been served with this CCAA application prior to this hearing, and provided that the DIP Charge shall

not rank in in priority to any Crown claims which have priority in bankruptcy. Each of the Proposed Charges is discussed in more detail below.

*Administration Charge*

68. The Proposed Initial Order provides for a charge up to a maximum of \$500,000 (the “**Administration Charge**”) in favour of the Proposed Monitor, the Proposed Monitor’s Counsel and the Applicants’ Canadian and U.S. Counsel (collectively, the “**Professionals**”) as security for the professional fees and disbursements incurred while planning for and after the commencement of these CCAA Proceedings.
69. However, the Proposed Initial Order will limit the Administration Charge to \$390,000 until the Comeback Hearing. The Proposed Monitor is of the view that this limitation is reasonable and provides adequate protection security for the estimated professional fees to be incurred during the Comeback Period.
70. The Proposed Monitor is of the view that the Administration Charge is necessary for the effective participation of the Professionals in these CCAA Proceedings, and the quantum of the Administration Charge is reasonable given the complexity of these CCAA Proceedings, the work that has been done to date, and the anticipated work required from the Professionals.
71. The magnitude of the Administration Charge is limited to the amount necessary to ensure the Professionals have adequate protection through the Forecast Period, given that the Applicants will not be providing retainers for the Professionals and assuming bi-weekly payments of professional fees.

72. The Proposed Monitor supports the Administration Charge, as contained within the Proposed Initial Order.

*DIP Charge*

73. The Proposed Initial Order also includes a charge in respect of interim financing provided under the DIP Facility Agreement (the “**DIP Charge**”). As set out in the Cash Flow Forecast, the Applicants anticipate that maximum draws under the DIP Facility of approximately \$458,287 will be required during the Forecast Period and are requesting a DIP Charge to secure obligations under the DIP Facility Agreement to the maximum borrowing limit of \$600,000.
74. However, the Proposed Initial Order will limit access to the financing under the DIP Facility Agreement and the DIP Charge to \$200,000 until the Comeback Hearing. The Proposed Monitor is of the view that the proposed financing and limited DIP Charge will provide the Applicants with sufficient liquidity to address payment obligations that may arise during the Interim Period.
75. The DIP Facility provides the Applicants with access to liquidity needed to finance their operations and working capital requirements while they pursue the sale of the business through the SISF. The DIP Charge does not secure any obligations that existed before the issuance of the Proposed Initial Order.
76. The magnitude of the DIP Charge is limited to the amount necessary to ensure the Applicants have sufficient liquidity during the Forecast Period.
77. The Proposed Monitor supports the DIP Charge, as contained within the Proposed Initial Order.

*Directors' Charge*

78. The Proposed Initial Order also includes a directors' charge (the "**Directors' Charge**") to a maximum of \$300,000. However, the Proposed Initial Order will limit access to the Directors' Charge to \$230,000 until the Comeback Hearing.
79. The directors have potential personal liability for unpaid wages in each of Canada, Maryland, California and South Carolina. Payroll is paid one week in arrears and based on the payroll cycle, the maximum exposure, assuming payroll is paid in the normal course, would be three weeks of Canadian payroll and one week of US payroll plus outstanding vacation pay.
80. The quantum of the proposed Directors' Charge in the Initial Order and in the ARIO was negotiated and agreed to between RBC and the Applicants. Based on the estimated the payroll amounts that could be outstanding during the CCAA Proceedings, the Proposed Monitor is of the view that the proposed amounts for the Directors' Charge are justified.
81. Given the potential liabilities facing the Applicants' directors and officers, they are at risk should the Applicants not be able to fund operations going forward. The Directors' Charge will allow the directors and officers to remain in place and assist with the administration of these CCAA Proceedings. The proposed Directors' Charge would apply only to the extent that the directors and officers do not have coverage under the directors' and officers' insurance policies which are maintained by the Applicants.
82. The Proposed Monitor supports the Directors' Charge, as contained within the Proposed Initial Order.

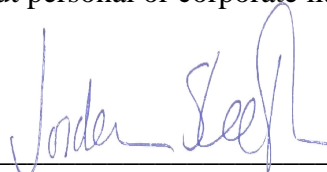
**CONCLUSION**

83. The Proposed Monitor has reviewed the Applicants' materials and has consented to act as Monitor of the Applicants in these CCAA Proceedings should this Court grant the Proposed Initial Order.
84. The Proposed Monitor is of the view that the relief requested by the Applicants is both appropriate and reasonable. Given the liquidity constraints faced by the Applicants and the need to continue operations, the relief requested is necessary to provide the Applicants with an opportunity to facilitate the sale of the business on a going concern basis. The relief sought in the Proposed Initial Order is supported by the Applicants' key stakeholders.
85. As such, the Proposed Monitor supports the Applicants' application for CCAA protection and respectfully recommends that the Court grant the relief sought in the CCAA Proceedings, in the form of Proposed Initial Order.

All of which is respectfully submitted at Toronto, Ontario this 18<sup>th</sup> day of January, 2024.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as Proposed Court-Appointed  
Monitor of SimEx Inc., Iwerks Entertainment Inc.  
and Simex-Iwerks Myrtle Beach LLC  
and without personal or corporate liability

Per:

  
\_\_\_\_\_  
Jordan Sleeth, CPA, CA, CIRP, LIT  
*Senior Vice-President*

Court File No:

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO SIMEX INC., IWERKS ENTERTAINMENT INC., AND SIMEX-IWERKS MYRTLE BEACH LLC**

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

PROCEEDING COMMENCED AT TORONTO

**REPORT OF THE PROPOSED MONITOR  
January 18, 2024**

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Lawyers for Deloitte Restructuring Inc.



# Appendix D

Court File No.: CV-24-00713128-0000

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS***  
***ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF**  
**COMPROMISE OR ARRANGEMENT WITH RESPECT TO**  
**SIMEX INC., IWERKS ENTERTAINMENT INC., AND**  
**SIMEX-IWERKS MYRTLE BEACH LLC**

**FIRST REPORT TO THE COURT**  
**SUBMITTED BY DELOITTE RESTRUCTURING INC.**  
**IN ITS CAPACITY AS MONITOR**

**January 26, 2024**

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**APPENDICES**

**APPENDIX "A"      Pre-Filing Report dated January 18, 2024**

## INTRODUCTION

1. On January 19, 2024 SimEx Inc. (“**SimEx**”), Iwerks Entertainment Inc. (“**Iwerks**”) and Simex-Iwerks Myrtle Beach LLC (“**SIMB**” and, together with SimEx and Iwerks, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the “**CCAA**”) granting, *inter alia*, a stay of proceedings in favour of the Applicants until January 29, 2024 (the “**Stay Period**”) and appointing Deloitte Restructuring Inc. as monitor (in such capacity, the “**Monitor**”). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the (“**CCAA Proceedings**”).
2. The purpose of this, the First Report of the Monitor (the “**Report**”), is to provide the Court with information on the following:
  - a) the Activities of the Monitor since the granting of the Initial Order;
  - b) the filing of petitions under Chapter 15 of the U.S. Bankruptcy Code to commence “recognition proceedings” in the United States (the “**Chapter 15 Proceedings**”);
  - c) the Applicants’ motion for the granting of an Amended and Restated Initial Order (the “**ARIO**”) that, *inter alia*:
    - i. extends the Stay Period to May 3, 2024; and
    - ii. removes the limitations provided by paragraph 43 of the Initial Order on the maximum authorized borrowings under the DIP Facility Agreement and on the amounts secured by the Administration Charge, the DIP Charge and the Directors’ Charge; and

- iii. approves the sale and investment solicitation process (the “SISP”).

## TERMS OF REFERENCE

3. In preparing this Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and information prepared by the Applicants, and discussions with management of the Applicants (“**Management**”) (collectively, the “**Information**”).
4. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor 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 Generally Accepted Assurance Standards (“**Canadian GAAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook*, and accordingly, the Monitor expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.
5. The Monitor has prepared this Report in connection with the Applicants’ motion for the ARIO, currently scheduled to be heard on January 29, 2024, and should not be relied on for any other purpose.
6. Future orientated financial information reported or relied on in preparing this Report is based on the assumptions of Management regarding future events; actual results may vary from forecast and such variations may be material.
7. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars, the Applicants’ reporting currency. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Proposed Monitor’s Pre-Filing Report

(the “**Pre-Filing Report**”), a copy of which is attached hereto as **Appendix A**, or in the Initial Order.

#### **ACTIVITIES OF THE MONITOR SINCE THE GRANTING OF THE INITIAL ORDER**

8. Since the granting of the Initial Order, the Monitor has been assisting the Applicants in their communications with employees, key suppliers, creditors and other stakeholders.
9. The Monitor established a case website at [www.insolvencies.deloitte.ca/en-ca/SimEx](http://www.insolvencies.deloitte.ca/en-ca/SimEx) (the “**Monitor’s Website**”) where relevant information will be posted, together with all Court materials. In addition, the Monitor has set up a telephone number (416-354-1487) and email address ([simexinc@deloitte.ca](mailto:simexinc@deloitte.ca)) to allow parties to contact the Monitor directly.
10. In accordance with paragraph 45 of the Initial Order the Monitor:
  - a) made the Initial Order publicly available on the Monitor’s Website on January 19, 2024;
  - b) sent a notice to every known creditor who has a claim against the Applicants of more than \$1,000 on January 24, 2024;
  - c) posted a list of creditors based on the Applicants’ books and records on the Monitor’s Website on January 24, 2024; and
  - d) published in the National Post (National Edition), a notice containing the information prescribed under the CCAA on January 25, 2024.

## THE CHAPTER 15 PROCEEDINGS

11. On January 25, 2024, the Monitor, acting as Foreign Representative of the Applicants pursuant to paragraph 53 of the Initial Order, filed petitions in the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) under Chapter 15 of the *United States Bankruptcy Code* to commence the Chapter 15 Proceedings. The motions in the Chapter 15 Proceedings are scheduled to be heard by the US Court on January 26, 2024 (the “**US Hearing**”).
12. The Monitor, acting as Foreign Representative of the Applicants, is seeking the following relief from the US Court;
  - a) recognition of the Proceedings as a foreign main proceeding;
  - b) recognition of Deloitte Restructuring Inc. as a “foreign representative”;
  - c) enforcing and giving full force and effect in the United States to the CCAA Proceedings and the Initial Order, including any and all extensions or amendments to the Initial Order, as authorized by the Canadian Court on a final basis (e.g., the ARIO); and
  - d) other ancillary relief as the US Court deems just and proper, including the granting of a provisional Order establishing a stay of proceedings in the United States, to protect the Applicant’s from third parties taking steps that will be harmful to the restructuring, with a view to maximizing the value of the Applicant’s assets, in accordance with section 1501 of the Bankruptcy Code).
13. The Monitor will provide an update to the Court on the outcome of the US Hearing in a



future report that the Monitor will file with the Court in the CCAA Proceedings.

## **THE AMENDED AND RESTATED INITIAL ORDER**

### *EXTENSION OF THE STAY PERIOD*

14. The Stay Period currently expires on January 29, 2024. The Applicants require additional time to undertake the SISP, to seek Court approval of a Successful Bid (as defined in the SISP Procedure) and complete a transaction. An extension of the Stay Period is necessary to provide stability during that time. Accordingly, the Applicants seek an extension of the Stay Period to May 3, 2024.
15. The Cash Flow Forecast attached to the Pre-Filing Report demonstrates that the Applicants will have sufficient liquidity to fund the CCAA Proceedings through May 3, 2024, subject to the availability of the DIP Facility.
16. Based on the information currently available to it, the Monitor believes that circumstances exist to make the proposed extension of the Stay Period appropriate and that the creditors of the Applicants would not be materially prejudiced by the extension of the Stay Period.
17. The Monitor also believes that the Applicants have acted, and are acting, in good faith and with due diligence.
18. The Monitor therefore respectfully recommends that this Court grant the Applicants' request for an extension of the Stay Period to May 3, 2024.

### *THE DIP FACILITY AGREEMENT*

19. Details of the DIP Facility Agreement, together with the Proposed Monitor's (as the Monitor then was) comments and recommendations with respect thereto, were set out in

paragraphs 51-59 of the Pre-Filing Report. The Monitor reiterates the comments and recommendations set out in the Pre-Filing Report.

20. Based on the foregoing, and having regard to the Applicants' funding needs, as set out in the Cash Flow Forecast, the Monitor respectfully recommends that the Court grant the Applicants' request that the amount that the Applicants' are authorized to borrow under the DIP Facility Agreement be increased to the maximum principal amount of \$600,000.

#### *THE COURT-ORDERED CHARGES*

21. The Proposed Monitor provided comments and recommendations with respect to the Administration Charge, the DIP Charge and the Directors' Charge (together, the "Charges") at paragraphs 65 – 82 of the Pre-Filing Report. The Monitor reiterates the comments and recommendations set out in the Pre-Filing Report.

#### *Administration Charge*

22. The Initial Order granted the Administration Charge in an amount not to exceed \$500,000. Paragraph 43 of the Initial Order limited the maximum amount of the Administration Charge to \$390,000 during the Interim Period.
23. The Monitor is of the view that the maximum amount to be secured by the Administration Charge is reasonable and justified in relation to the complexity of these CCAA Proceedings, the work that has been done to date, and the anticipated work required from the Professionals.

#### *DIP Charge*

24. The Initial Order granted the DIP Charge in the maximum principal amount of \$600,000. Paragraph 43 of the Initial Order limited the maximum principal amount of the DIP Charge to \$200,000 during the Interim Period.

25. As discussed above, the Monitor recommends that this Court approve the Applicants' ability to borrow up to \$600,000 under the DIP Facility. The Monitor is of the view that the magnitude of the DIP Charge is limited to the amount necessary to ensure the Applicants have sufficient liquidity during the Forecast Period. The DIP Charge does not secure any obligations that existed prior to the issuance of the Initial Order.

***The Directors' Charge***

26. The Initial Order granted the Directors' Charge in the maximum amount of \$300,000. Paragraph 43 of the Initial Order limited the maximum amount of the Directors' Charge to \$230,000 during the Interim Period.
27. For the reasons set out in the Pre-Filing Report, the Monitor is of the view that the amount of the Directors' Charge is reasonable and justified.

***Monitor's Recommendation***

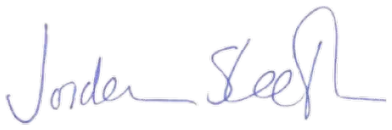
28. Based on the foregoing, the Monitor respectfully recommends that the limitations imposed by paragraph 43 of the Initial Order be removed from the ARIO.

***THE SISP***

29. In the application for the Initial Order, the Applicants sought approval of the SISP, which relief was put over to the Comeback Hearing.
30. Details of the SISP, together with the Proposed Monitor's comments and recommendations with respect thereto, were set out in paragraphs 60 –64 of the Pre-Filing Report. The Monitor reiterates the comments and recommendations set out in the Pre-Filing Report and respectfully recommends that the Court grant the Applicants' request for approval of the SISP.

All of which is respectfully submitted at Toronto, Ontario this 26<sup>th</sup> day of January, 2024.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as Court-Appointed Monitor  
of SimEx Inc., Iwerks Entertainment Inc.  
and Simex-Iwerks Myrtle Beach LLC  
and without personal or corporate liability

Per:   
\_\_\_\_\_  
Jordan Sleeth, CPA, CA, CIRP, LIT  
*Senior Vice-President*

attraction and maintain an extensive catalog of films including both licensed and original content.

18. A core element of the Applicants' business is the Attraction Co-Venture ("ACV") division, which the Applicants began 20 years ago to focus on the institutional market in the United States, consisting of large zoos, aquariums and museums.
19. ACV installations are governed by long-term contracts, typically ranging from five to six years, and have a renewal rate of approximately 80%. Under ACV contracts, SimEx installs theatre hardware and provides original or licensed content for the theatres. Revenues are subject to revenue-sharing arrangements, as set out in the ACV contracts.
20. An overview of the Applicants' operating entities is as follows:
  - a) SimEx is a private Canadian corporation incorporated under the laws of Ontario. SimEx and Iwerks operate together as Simex-Iwerks Entertainment to produce and install theatre attractions and distribute film content;
  - b) Iwerks is a Delaware corporation and is a wholly owned subsidiary of SimEx;
  - c) SIMB is a South Carolina limited liability company and is a wholly owned subsidiary of Iwerks. SIMB operates a themed attraction in Myrtle Beach, "The Simpsons in 4D"; and
  - d) 6618359 Canada Inc., Simex Santa's Late Inc., 4D Cinema Inc. and 6618391 Canada Inc. are each inactive, single-use production companies, all of which are not Applicants in the CCAA Proceedings.

<b>SimEx!Iwerks</b>			
<b>15-Week Cash Flow Forecast</b>			
<b>For the period January 19, 2024 to May 3, 2024</b>			
<b>(in USD)</b>			
<b>Week #</b>	<b>0-1</b>	<b>2-15</b>	
<b>Month</b>	<b>Pre-</b>	<b>Post-</b>	<b>Total</b>
<b>Week Ending</b>	<b>Comeback</b>	<b>Comeback</b>	
<b>Operating Receipts</b>			
Customer receipts	260,619	3,652,491	3,913,111
HST refunds	-	39,898	39,898
<b>Total Operating Receipts</b>	<b>260,619</b>	<b>3,692,389</b>	<b>3,953,009</b>
<b>Operating Disbursements</b>			
Employee costs	(220,000)	(1,858,725)	(2,078,725)
Selling, general and administrative costs	(42,294)	(501,888)	(544,182)
Rent costs	-	(367,123)	(367,123)
Vendor payments	(5,000)	(324,498)	(329,498)
Contingency costs	(20,000)	(140,000)	(160,000)
<b>Total Operating Disbursements</b>	<b>(287,294)</b>	<b>(3,192,235)</b>	<b>(3,479,529)</b>
<b>Operating Cash Flow</b>	<b>(26,675)</b>	<b>500,154</b>	<b>473,480</b>
<b>Restructuring Costs</b>			
Professional fees	-	(983,333)	(983,333)
<b>Total Restructuring Costs</b>	<b>-</b>	<b>(983,333)</b>	<b>(983,333)</b>
<b>Net Operating Cash Flow before Debt Service</b>	<b>(26,675)</b>	<b>(483,179)</b>	<b>(509,854)</b>
<b>Debt Service</b>			
Debt service	-	-	-
<b>Net Cash Flow</b>	<b>(26,675)</b>	<b>(483,179)</b>	<b>(509,854)</b>
<b>Operating Line</b>			
Opening	5,940,000	5,966,675	5,940,000
Net cash flow	(26,675)	(483,179)	(509,854)
<b>Closing</b>	<b>5,966,675</b>	<b>6,449,854</b>	<b>6,449,854</b>
Operating line limit	6,000,000	6,000,000	6,000,000
<b>Excess/(Deficiency)</b>	<b>33,325</b>	<b>(449,854)</b>	<b>(449,854)</b>

45. The Cash Flow Forecast is presented on a weekly basis during the Forecast Period and represents Management’s best estimate of the projected cash flow during the Forecast Period. The Cash Flow Forecast has been prepared by Management, using the probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast (the “Assumptions”).
46. The Proposed Monitor has reviewed the Cash Flow Forecast through inquiries, analytical procedures and discussions, and a review of the supporting documents relating to the

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO SIMEX INC., IWERKS ENTERTAINMENT INC., AND SIMEX-IWERKS MYRTLE BEACH LLC**

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

PROCEEDING COMMENCED AT TORONTO

**FIRST REPORT OF THE MONITOR  
January 26, 2024**

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Lawyers for Deloitte Restructuring Inc.

# Appendix E



Court File No.: CV-24-00713128-0000

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF  
COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
SIMEX INC., IWERKS ENTERTAINMENT INC., AND  
SIMEX-IWERKS MYRTLE BEACH LLC**

**SECOND REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**

**April 18, 2024**

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<b>APPENDIX "A"</b>	<b>Initial Order dated January 19, 2024</b>
<b>APPENDIX "B"</b>	<b>Amended and Restated Initial Order dated January 29, 2024</b>
<b>APPENDIX "C"</b>	<b>Pre-Filing Report dated January 18, 2024</b>
<b>APPENDIX "D"</b>	<b>First Report dated January 26, 2024</b>
<b>APPENDIX "E"</b>	<b>SISP Procedures</b>

## INTRODUCTION AND PURPOSE

1. On January 19, 2024 (the “**Filing Date**”) SimEx Inc. (“**SimEx**”), Iwerks Entertainment Inc. (“**Iwerks**”) and Simex-Iwerks Myrtle Beach LLC (“**SIMB**” and, together with SimEx and Iwerks, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the “**CCAA**”) granting, *inter alia*, a stay of proceedings in favour of the Applicants until January 29, 2024 (the “**Initial Stay Period**”) and appointing Deloitte Restructuring Inc. as monitor (in such capacity, the “**Monitor**”). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”. A copy of the Initial Order is attached hereto as **Appendix “A”**.
2. On January 29, 2024 the Applicants sought and obtained an amended and restated initial order (the “**ARIO**”). The ARIO, among other things, extended the Initial Stay Period to May 3, 2024 (the “**Stay Period**”); confirmed the maximum amounts to be secured by priority charges; and approved a sales and investment solicitation process (the “**SISP**”). A copy of the ARIO is attached hereto as **Appendix “B”**.
3. The Monitor filed a Pre-filing Report dated January 18, 2024 (the “**Pre-Filing Report**”) with the Court prior to the commencement of the CCAA Proceedings. The Monitor filed its First Report dated January 26, 2024 (the “**First Report**”) in connection with the Applicants’ comeback and stay extension hearing on January 29, 2024. The Pre-Filing Report and the First Report are available on the Monitor’s Website at [www.insolvencies.deloitte.ca/en-ca/SimEx](http://www.insolvencies.deloitte.ca/en-ca/SimEx). Copies of these reports, without appendices, are attached hereto as **Appendices “C”** and “**D**”, respectively.

4. Capitalized terms not otherwise defined herein shall have the respective meanings attributed to them in the Initial Order, the ARIIO, the Pre-Filing Report and/or the First Report, as applicable.
5. The purpose of this report (the “**Second Report**”) is to provide the Court with information on a material adverse change (the “**MAC**”) in the Applicants’ financial circumstances and the anticipated effects of the MAC on the CCAA Proceedings.

#### **TERMS OF REFERENCE**

6. In preparing this Second Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and information prepared by the Applicants, and discussions with management of the Applicants (“**Management**”) (collectively, the “**Information**”).
7. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor 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 Generally Accepted Assurance Standards (“**Canadian GAAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook*, and accordingly, the Monitor expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.
8. The Monitor has prepared this Second Report to provide background to the Court for its consideration in respect of the MAC, and the Second Report should not be relied on for any other purpose.

9. Future orientated financial information reported or relied on in preparing this Second Report is based on the assumptions of Management regarding future events; actual results may vary from forecast and such variations may be material.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars, the Applicants' reporting currency.

### **SISP UPDATE**

11. The Monitor and the Applicants were authorized and directed to conduct the SISP pursuant to the ARIO. A copy of the sale and investment solicitation process as approved pursuant to the ARIO (the "**SISP Procedures**") is attached hereto as **Appendix "E"**. The Monitor solicited interest from approximately 50 parties, both strategic and financial during the SISP. The Monitor also published an advertisement with respect to the SISP in the Insolvency Insider newsletter as required by the ARIO.
12. Thirteen parties executed a non-disclosure agreement and were provided with a confidential information memorandum ("**CIM**") and were invited to an electronic data room that had been populated by the Applicants, with the assistance of the Monitor.
13. The Monitor and the Applicants held multiple meetings with interested parties in order to respond to due diligence questions and provide additional, specific information to bidders on request. The Monitor and the Applicants worked closely together throughout the process to address information requests.
14. The Monitor provided regular updates to Royal Bank of Canada ("**RBC**"), as a senior secured lender of the Applicants, on the SISP, including the number of potential bidders that expressed continued interest in the SISP.

***Results of the SISP***

15. The deadline established by the SISP Procedures for the submission of binding offers was 5:00 pm EST on March 14, 2024 (the “**Bid Deadline**”). In advance of the Bid Deadline, a number of interested parties advised the Monitor that, while they remained interested, they would require additional time to submit a bid.
16. After discussing the request for additional time with the Applicants and RBC and, pursuant to the SISP, obtaining RBC’s consent to an extension, the Monitor advised interested parties that the Bid Deadline had been extended to 5:00 pm EST on March 21, 2024 (the “**Revised Bid Deadline**”).
17. The SISP did not yield any Qualified Bids (as defined in the SISP). A non-binding letter of intent (the “**LOI**”) was submitted by one interested party, but as it was not a binding offer, it did not qualify as a Qualified Bid. Additionally, the LOI was conditional on additional diligence and included conditions precedent that could not be met by the Applicants or the Monitor.

***Monitor’s Comments on the SISP***

18. The Monitor is of the view that the business and assets of the Applicants have been adequately exposed to the market through the SISP, and that the SISP provided for a process that was fair and reasonable in the circumstances. In the Monitor’s view, the duration of the SISP was sufficient to allow interested parties to perform diligence and evaluate whether to submit a bid. The Monitor notes that it received no requests for an extension of the bid deadline beyond the Revised Bid Deadline on March 21, 2024. While the SISP generated robust interest from potential bidders, the SISP ultimately did not yield a Qualified Bid.

*The Management Offer*

19. Following the expiry of the Revised Bid Deadline, the Monitor received a draft offer from Michael Needham, who is part of existing management of SimEx, on behalf of a company to be incorporated (the “**Needham Offer**”). The Needham Offer, in addition to being submitted after the Revised Bid Deadline, was conditional on obtaining financing, and therefore did not satisfy the requirements of a Qualified Bid as set out in the SISP Procedures.
20. The Monitor reviewed both the LOI and the Needham Offer with RBC. The Monitor did not find either offer to be compliant with the terms of the SISP, or had the likelihood of providing sufficient value and / or certainty of closing.
21. On April 4, 2024 RBC received an email from Loopstra Nixon LLP (“**Loopstra**”), counsel to the Applicants, providing details of a proposed offer from Management (the “**MBO**”) pursuant to which a newly incorporated company (“**Newco**”) would purchase certain assets of the Applicants.
22. The Monitor worked with Loopstra and RBC on an urgent basis to explore whether there was a viable transaction that could be pursued, subject to Court approval. Late in the day on April 17, 2024, it became apparent that the MBO would not be advanced any further.
23. While not an explicit condition of the MBO, the Monitor understands that the future viability of Newco and the economic logic of the MBO were highly dependent on the willingness of Warner Bros. Discovery Inc. (“**WB**”) to consent to the assignment to Newco of contracts (the “**WB Contracts**”) between WB and the Applicants.



24. Between April 4 and 17, 2024, the Monitor and RBC reviewed various iterations of the MBO with Management, and the Monitor participated in discussions between WB and Management to discuss the MBO and WB's position on the assignment of the WB Contracts to Newco.
25. On April 17, 2024, WB advised Management (through counsel) that it would not continue discussions in respect of the assignment of WB Contracts, and that it intended to take steps to terminate the WB Contracts. Consequently, Management in turn advised RBC that it would not submit a binding offer in respect of the MBO and would instead move to terminate the CCAA Proceedings.

#### **MATERIAL ADVERSE CHANGE AND ITS EFFECT ON THE CCAA PROCEEDINGS**

26. Based on the withdrawal of the MBO, the Monitor has considered whether the lack of a viable Bid arising from the SISP and the failure of the MBO constitute a MAC. To determine if a MAC has occurred, the Monitor has considered the Standards of Professional Practice (the "**Standards**") of the Canadian Association of Insolvency and Restructuring Professionals. The Standards require the following to be considered:
  - a) Whether the change has a significant adverse effect on the projected cash flow;
  - b) Whether the change significantly impairs, or is reasonably expected to significantly impair, the debtor's financial circumstances or the ability of the debtor to carry on operations;
  - c) Whether the change significantly impairs the likelihood of success of a proposal or Plan of Compromise or Arrangement; or

- d) Whether the change significantly prejudices the rights or interests of one or more classes of creditors.
27. The possible termination of the WB Contracts would eliminate the Applicants' largest source of revenue, resulting in a material impact on projected cash flow and the Applicants' ability to carry on business.
28. The possible termination of the WB Contracts has also resulted in the withdrawal of the MBO, resulting in the lack of any viable offer for the purchase of the assets and/or the business of the Applicants, in addition to the lack of Qualified Bids pursuant to the SISP. As such, in the Monitor's view, there is little chance of a viable Plan of Compromise or Arrangement.
29. Furthermore, the Applicants anticipated that the payment of post-filing film royalties would be made from the proceeds of a successful Bid. In the absence of a successful Bid, the Applicants no longer have the ability to satisfy post-filing film royalty obligations in the estimated amount of \$415,000. The continuing non-payment of such post-filing film royalty obligations prejudices the rights and interests of a number of creditors.
30. Based on the foregoing, the Monitor is of the view that the results of the SISP, the failure of the MBO, the anticipated termination of the WB Contracts and the Applicants' inability to meet ongoing post-filing film royalty obligations, satisfy several of the criteria set out above with respect to the Standards and as such, a MAC has occurred.

## **CONCLUSIONS AND RECOMMENDATIONS**

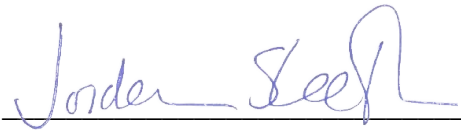
31. As noted above, the Applicants have advised the Monitor that they intend to bring a motion to terminate the CCAA Proceedings and various other ancillary relief. The Monitor will

review the materials prepared and filed by the Applicants and provide a further report to this Court thereafter.

All of which is respectfully submitted at Toronto, Ontario this 18<sup>th</sup> day of April, 2024.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as Court-Appointed Monitor  
of SimEx Inc., Iwerks Entertainment Inc.  
and Simex-Iwerks Myrtle Beach LLC  
and without personal or corporate liability

Per:

A handwritten signature in blue ink that reads "Jordan Sleeth". The signature is written in a cursive style and is positioned above a horizontal line.

Jordan Sleeth, CPA, CA, CIRP, LIT  
*Senior Vice-President*

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO SIMEX INC., IWERKS ENTERTAINMENT INC., AND SIMEX-IWERKS MYRTLE BEACH LLC**

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

PROCEEDING COMMENCED AT TORONTO

**SECOND REPORT OF THE MONITOR  
April 18, 2024**

**BORDEN LADNER GERVAIS LLP**

Bay Adelaide Centre, East Tower  
22 Adelaide St W  
Toronto, Ontario M5H 4E3  
Tel: 416-367-6000  
Fax: 416-367-6749

Roger Jaipargas – LSO No. 43275C  
Tel: (416) 367-6266  
Email: rjaipargas@blg.com

Lawyers for Deloitte Restructuring Inc.

# Appendix F

**SimEx!Iwerks**
**Cash Flow for the period from January 15, 2024 to April 26, 2024**

(in USD)	Note Ref.	January 15, 2024 to April 19, 2024 Actual	April 20, 2024 to Effective Time Forecast	Total
<b>Operating Receipts</b>				
Customer Receipts		3,892,935	276,827	4,169,762
HST Refunds		-	-	-
<b>Total Operating Receipts</b>		<b>3,892,935</b>	<b>276,827</b>	<b>4,169,762</b>
<b>Operating Disbursements</b>				
Employee Costs	1	(1,848,516)	(343,750)	(2,192,266)
Selling, General and Administrative Costs		(482,143)	-	(482,143)
Rent Costs		(330,961)	-	(330,961)
Vendor Payments	2	(299,426)	(28,000)	(327,426)
Contingency Costs		-	(13,000)	(13,000)
<b>Total Operating Disbursements</b>		<b>(2,961,047)</b>	<b>(384,750)</b>	<b>(3,345,797)</b>
<b>Operating Cash Flow</b>		<b>931,889</b>	<b>(107,923)</b>	<b>823,966</b>
<b>Restructuring Costs</b>				
Professional Fees	3	(668,402)	(221,043)	(889,444)
Advance to Trustee		-	(50,000)	(50,000)
<b>Total Restructuring Costs</b>		<b>(668,402)</b>	<b>(271,043)</b>	<b>(889,444)</b>
<b>Net Operating Cash Flow before Debt Service</b>		<b>263,487</b>	<b>(378,966)</b>	<b>(65,479)</b>
<b>Debt Service</b>				
Debt Service		-	-	-
DIP Draw		200,000	-	200,000
<b>Net Cash Flow</b>		<b>463,487</b>	<b>(378,966)</b>	<b>134,521</b>
<b>Cash Position</b>				
Opening Cash Position		157,010	620,497	157,010
Net Cash Flow		463,487	(378,966)	134,521
Closing Cash Position		<b>620,497</b>	<b>241,532</b>	<b>291,532</b>

1. Includes final payroll for Iwerks (\$107,000 for 3 weeks) plus vacation pay earned during the CCAA Proceedings (\$23,000) and the final payroll for SimEx (\$150,000 for 2 weeks) plus vacation pay earned during the CCAA Proceedings (\$63,750).

2. Consists of employee expense reimbursements.

3. Includes the following amounts (in USD, inclusive of HST for the Monitor, BLG, and the Trustee):

Monitor services to April 19, 2024	\$ 51,293
Monitor estimated fees to finalize CCAA Proceedings	\$ 38,138
BLG services to April 22, 2024	\$ 24,575
BLG estimated fees to finalize CCAA Proceedings	\$ 33,900
Monitor US Counsel estimated fees to finalize US Chapter 15 proceedings	\$ 35,000
Company counsel services to finalize CCAA Proceedings	\$ 38,138
<b>Total</b>	<b>\$ 221,043</b>

# Appendix G



April 2, 2024

Attn: Jason Gauci  
Simex Inc  
17 - 2299 Drew Road  
Mississauga ON L5S 1A3

Dear Jason Gauci:

**Subject: Proposed changes to your goods and services tax/harmonized sales tax (GST/HST) return for the period from 2024-01-01 to 2024-01-19  
Business number: 13630 8475 RT0001**

Our records indicate that Simex Inc has filed a Notice of Intention to make a proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act on January 19, 2024 and has not paid all of the GST/HST outstanding to their suppliers as per the outstanding liabilities filed. Based on this information we now propose to re-assess your returns as follows.

Period ending	Net tax as filed	Proposed changes to net tax payable	Revised net tax
2024-01-19	(\$7,290.31)	\$662,835.95	\$655,545.64

Every recipient of a taxable supply made in Canada is required to pay the GST/HST payable in respect of the supply as per section 165 of the Excise Tax Act, Simex Inc has filed a Notice of Intention to make a proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act on January 19, 2024 and has not paid all of the GST/HST outstanding to their suppliers as per the outstanding liabilities filed. Under paragraph 296(1)(b) of the Act, we are proposing to assess the GST/HST payable on taxable supplies received as GST/HST has not been paid to the supplier. The amount proposed is \$662,835.95. We have enclosed a proposed summary of audit adjustments to support the changes.

This assessment is based on the most current creditor's list available. If this attached creditor listing is not current or you have paid off some of your creditors please provide an updated list along with proof to show that a payment has been made to resolve or lower the debt. **Also, please identify which creditors have not supplied taxable supplies and are considered to be exempt.**

**We encourage you to ensure that all of your ITCs have been properly claimed on your returns.** If you have not claimed the Input Tax Credit (ITC) for any period prior to the insolvency event you are eligible to claim that ITC prior to the insolvency event as long as it fits all other requirements. **Please note that there are different filing procedures for pre and post audit, as a result, ITCs should be claimed in the proper period.**



If we do not hear from you before **May 2, 2024**, we will finalize the audit based on the changes proposed. You will then receive a notice of (re)assessment that reflects these changes, and you will be responsible for paying the additional net GST/HST payable and interest as calculated.

If you are registered with My Business Account you can send this information and any accounting data through the submit documents service. Submit documents is a secure online service that allows registrants to electronically send their accounting information to the CRA. To learn how to use the submit documents service go to **canada.ca/cra-submit-documents-online**.

You will need to enter the case number **72687951** before you can successfully send the documents. If you have difficulty using the submit documents service, please contact me for assistance.

Alternatively, you can fax or mail any documents. The fax number and mailing address are listed below. If you mail any documents please include my name in the address and also include the notation "Personal and Confidential".

If you have any questions or concerns, please contact me at **306-491-3062**. My team leader, Liz Soonias, may also be reached at 306-203-2869.

Sincerely,



Brent Harris  
Eastern Prairie TSO  
GST/HST Audit Division

Telephone: 306-491-3062  
Facsimile: 418-566-4827  
Address: 340-3rd Avenue North  
Saskatoon SK S7K 0A8  
Website: **canada.ca/taxes**

Enclosure



## Statement of Proposed Audit Adjustments

Simex Inc

Business Number: 13630 8475 RT0001  
Audit for the Period: 2024-01-01 to 2024-01-19

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### Sales and other revenue

As filed	\$	269,558.21
Adjustments		0.00
Revised sales and other revenue (line 101)		269,558.21

### Goods and services tax/ harmonized sales tax (GST/HST)

As filed	\$	2,083.33
Adjustments - see Note 1		662,835.95
Revised GST/HST collected (line 105)		\$ 664,919.28

### Input tax credits (ITCs)

As filed	\$	9,373.64
Adjustments		0.00
Revised ITCs (line 108)		9,373.64

<b>Revised net tax owing (refund)</b>	<b>\$</b>	<b>655,545.64</b>
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**Note:**

1. We are proposing to adjust your GST/HST return under subsection 296(1)(b) of the Act. GST/HST Policy Statement P-112R, Assessment of Tax Payable Where a Purchaser is Insolvent, states that section 296 of the Act allows the Minister to assess any tax payable by a person under Division II. The Minister may exercise its authority under paragraph 296(1)(b) of the Act and assess a purchaser who is in receivership with respect to the GST/HST not paid to the supplier. For example, an assessment of tax payable may be made where a purchaser has claimed an ITC in respect of a taxable purchase, for which payment to the supplier remains outstanding, and the supplier is entitled to a bad debt deduction in calculating its net tax.

It was noted in the claims register payables that there were some creditors where GST/HST was not applicable and would not have been paid. We have calculated the amount of GST/HST not paid for the remaining accounts payable, and as a result, propose to make the following adjustment:

<b>Supplier name</b>	
Desjardins Financial Security Life Assurance Company	\$ 32,917.00
Employees	1.00
Hub International Insurance Service Inc	59,264.00
Rediger Investment Corporation	7,803.00
<b>Total claims where GST/HST was not applicable</b>	<b>\$ 99,985.00</b>
Total unsecured creditors	\$ 5,861,559.00
Total claims where GST/HST was not applicable	99,985.00
<b>Total taxable claims</b>	<b>\$ 5,761,574.00</b>
Total taxable claims	\$ 5,761,574.00
GST/HST factor of 13/113	13/113
<b>Total proposed adjustment to GST/HST</b>	<b>\$ 662,835.95</b>

This assessment is based on the most current creditor's list available. If this attached creditor listing is not current or you have paid off some of your creditors please provide an updated list along with proof to show that a payment has been made to resolve or lower the debt. **Also, please identify which creditors, especially international creditors, that have not supplied taxable supplies and are considered to be exempt and we may be able to reduce the overall assessment by the amount where GST/HST was not charged by specific creditors.**

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**Proposed adjustment summary**

GST/HST	\$ 662,835.95
ITCs	0.00
<b>Total proposed adjustments</b>	<b>\$ 662,835.95</b>

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## SimEx Inc. HST Audit Summary

### **Company Organization**

SimEx Inc is the Canadian Parent company of the organization. Its subsidiaries include 4 Canadian holding companies which are currently inactive and 2 US based active companies.

SimEx operates with revenues and expenses from international sources. SimEx revenues are primarily derived from non-Canadian sources. In terms of expenses, SimEx does have Canadian staff and office space which are more specifically located in Ontario. SimEx sources materials from both Canadian and non-Canadian vendors. For vendors outside of Canada, HST implications are captured from the assessments made via our brokerage firm and CBSA.

The 2 US companies are Iwerks Entertainment, Inc. and Simex-Iwerks Myrtle Beach, LLC (SIMB). These companies are incorporated in the US and operate in the US with international revenues and expenses.

The CCAA creditor listing provided and used by CRA contains outstanding vendor invoices from all three companies mentioned above, SimEx, Iwerks and SIMB. It is helpful to first identify the SimEx related vendor invoices which have HST implications.

Provided is a schedule which is a copy of the CCAA creditor listing which has separated the vendor payables by incorporated entity. This schedule goes on to identify the status of the SimEx only related vendors and whether there is an HST impact. The HST impact is then further assessed to identify if a payment was made at a later date which would deem the ITC collectible. The schedule also further identifies whether the ITC was actually claimed when filing the January 2024. Since we were aware of the CCAA filing, we had the opportunity to withhold the ITC claim as we knew these amounts were not refund worthy due to its non-payment status. For payables with ITC's that were claimed that currently remains unpaid, the ITC amount has been segregated into a column titled "Due to CRA". This amount totals \$29,846.17 CAD.

With this all said, can you please help me understand how we can further prove all of this so we may receive a revised assessment. There are over 100 vendors on the creditor listing. We can provide invoice copies or contracts to help prove this assessment if need be. Due to the time it would take to gather these documents, while also working with the monitor during the CCAA process we would need some time. Perhaps as a suggestion we can provide a sample of vendor backups to confirm what is being submitted to start.

Hope this explanation above helps better assess our current HST letter. And please let me know how best I can help.

Thank you,

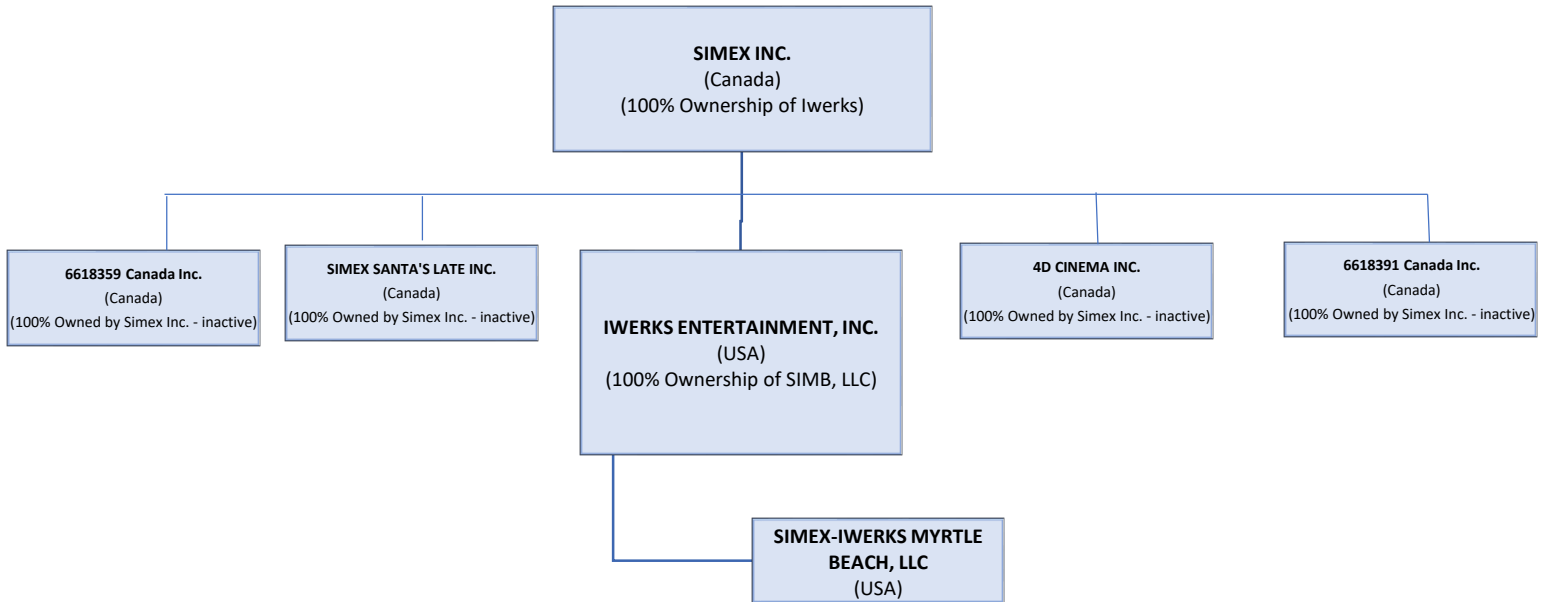
Jason Gauci

VP Finance and Controller, SimEx Inc.

Mobile 416-457-8846



## Management Organization Chart



Note: The four inactive companies were required for film productions to qualify for tax credits. These companies can be re-used for future film productions.

May 19, 2023



Proco3000	6260 Highway 7, Unit 8	Vaughan	Canada	L4H 4G3	\$ 11,944		11,944	-	Yes	1,374.09	-	869.05	505.05	869.05
Pi Acrylics Innovations Ltd	3171 Lenworth Drive, Unit 6	Mississauga	Canada	L4X 2G6	\$ 3,921		3,921	-	Yes	451.09	-	451.09	-	451.09
Pyat Demolition Corp LLC	9801 Parsons St	Tampa	US	33615	\$ 26,730	26,730	-	-		-	-	-	-	-
Qesta Design Limited	1305 Morningside Ave. Unit # 1	Scarborough	Canada	M1B 4Z5	\$ 1,503		1,503	-	Yes	172.91	-	172.91	-	172.91
Red Star Studio Ltd.	Electric Works	Sheffield	United Kingdom	S1 2B1	\$ 121,266	121,266	-	-		-	-	-	-	-
Ridger Investment Corporation	10061 Riverside Drive #1021	Tobacco Lake	US	91602	\$ 7,803	7,803	-	-		-	-	-	-	-
Richelieu Hardware Mississauga	6425 Airport Road	Mississauga	Canada	L4V 1E4	\$ 1		1	-	No	-	-	-	-	-
Robert Callaghan c/o Rutherford & Mathews Professional Corporation	404-23 Lemill Road	Toronto	Canada	M3B 3P6	\$ 1		1	-	No	-	-	-	-	-
Rx America Canada Inc	Allied Electronics (Canada) Inc.	Toronto	Canada	M5W 3V2	\$ 9,064		9,064	-	Yes	1,042.76	-	1,042.76	-	1,042.76
San Antonio Zoological Society	3903 N. St. Mary's Street	San Antonio	US	78212-3199	\$ 337,500	337,500	-	-		-	-	-	-	-
Santee Cooper	PO Box 188	Moncks Corner	US	29461-0188	\$ 5,300	5,300	-	-		-	-	-	-	-
Screaming Images, A Division Of Olympus Group	9000 W Heather Ave	Milwaukee	US	53224	\$ 1,378		1,378	-		-	-	-	-	-
Sea World Parks and Entertainment	9205 Southpark Center Loop, Suite 400	Orlando	US	32819	\$ 29,842		29,842	-		-	-	-	-	-
Seastar Shorfs Inc	1239 Magnolia Court	Arcadia	US	91006	\$ 303,893		303,893	-	Out of Country	-	-	-	-	-
Seebitz, Inc.	1732A Marsh Road, Suite 124	Delaware	US	19810	\$ 22,384	22,384	-	-		-	-	-	-	-
S/Marketing Inc.	325, Boul. Bouchard	Dorval	Canada	H9S 1A9	\$ 13,844		13,844	-	Yes	1,592.67	-	1,592.67	-	1,592.67
Shiori Sudo	12 Woodlawn Ave W #402	Toronto	Canada	M4V 1G7	\$ 450,000		450,000	-	Employee Loan	-	-	-	-	-
Sort Production Products Ltd.	2266 Drew Road Unit 8	Mississauga	Canada	L5S 1B1	\$ 9,862		9,862	-	Yes	1,134.57	-	1,134.57	-	1,134.57
St. Nicholas Music Inc.	254 West 54th St. Suite 1200	New York	US	10019	\$ 11,042	11,042	-	-		-	-	-	-	-
State Of South Carolina	PO Box 125	Columbia	US	29214-0400	\$ 4,873	4,873	-	-		-	-	-	-	-
Strong-Mil Screen Systems Inc.	1440, Rasol Charette	Joliette	Canada	J6E 8S7	\$ 8,234		8,234	-	Yes	947.27	947.27	947.27	-	-
T & M Production, Inc.	11500 W. Olympic Blvd., Suite 400	Los Angeles	US	90064	\$ 2,221		2,221	-		-	-	-	-	-
Tecan	250 Chrysler Drive	Brampton	Canada	L6S 6B6	\$ 1,491		1,491	-	Yes	171.53	-	171.53	-	171.53
The Icee Company	1205 S. Dupont Avenue	Ontario	US	91761	\$ 1,277	1,277	-	-		-	-	-	-	-
The Printing House	1403 Bathurst Street	Toronto	Canada	M5R 3H8	\$ 1,840		1,840	-	Yes	211.68	-	211.68	-	211.68
The Taylor Group	255 Bioscye Crescent	Brampton	Canada	L6W 4R2	\$ 49,268		49,268	-	Yes	5,668.00	-	5,668.00	-	5,668.00
Thomas Licensing LLC	675 Avenue Of The Americas	New York	US	10010	\$ 13,500		13,500	-		-	-	-	-	-
T-Mobile	PO Box 742596	Cincinnati	US	45274-2596	\$ 1,748		1,748	-		-	-	-	-	-
Toto Supplies	10 Blackingorecent	Scarborough	Canada	M1C 4N1	\$ 1,551		1,551	-	Yes	178.43	-	178.43	-	178.43
Tree-Mendous Adventure Parks Inc.	12913 Rt 22	Canan	US	12029	\$ 13,500	13,500	-	-		-	-	-	-	-
Ullae	12913 Rt 22	Chicago	US	60085	\$ 1,201	1,201	-	-		-	-	-	-	-
Vampire Spid Productions Ltd	12Th Floor, The Brunel Building	London	United Kingdom	W2 1DG	\$ 7,374		7,374	-	Out of Country	-	-	-	-	-
Vanguard Cleaning Systems GTA West	5160 Explorer Drive, Unit 20	Mississauga	Canada	L4W 4T7	\$ 1,278		1,278	-	Yes	147.03	-	147.03	-	147.03
Voice & Script International Ltd.	126-134 Cleveland Street	London	United Kingdom	W1T 6AB	\$ 5,805		5,805	-	Out of Country	-	-	-	-	-
Warner Bros. Consumer Products, Inc.	21477 Network Place	Chicago	US	60673-1214	\$ 1,673,953	1,673,953	-	-		-	-	-	-	-
<b>Unsecured Creditors</b>					<b>\$ 5,881,259</b>	<b>210,586</b>	<b>3,754,338</b>	<b>1,896,640</b>	<b>-</b>	<b>45,093.78</b>	<b>1,593.36</b>	<b>31,417.43</b>	<b>13,676.25</b>	<b>29,846.17</b>

**Grand Total**

**\$ 27,507,963**

1. Amounts due certain creditors are not known at this time; accordingly a \$1 placeholder amount is reported herein.

0.10 check

# Appendix H



April 18, 2024

**VIA EMAIL**

Loopstra Nixon LLP  
135 Queens Plate Drive  
Suite 600  
Toronto ON M9W 6V7

**Attention: Graham Phoenix**

Dear Sir:

**Re: In the Matter of SimEx Inc., Iwerks Entertainment, Inc., SimEx-Iwerks Myrtle Beach, LLC Court File No. CV-24-00713128-0000**

As you are aware, we are counsel for Warner Bros. Discovery Inc. (“**WBD**”) in the above noted matter. We refer to the Licensing and Distribution Agreement among Warner Bros. Consumer Products, Inc., as Licensor, and SimEx, Inc. and Iwerks Entertainment Inc. (together, the “**Distributor**”) dated February 27, 2018 (as amended, the “**Agreement**”). We also refer to the above-mentioned court proceedings, in which the Distributor filed for creditor protection pursuant to an Initial Order dated January 19, 2024 (as amended and restated from time to time, the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”), as subsequently recognized under Chapter 15 of Title 11 of the United States Bankruptcy Code by the Bankruptcy Court in District of Delaware.

We also refer to the amounts that accrued and were payable to WBD under the Agreement prior to the date of the Initial Order, in the amount of approximately \$1.7 million (the “**Pre-Filing Arrears**”).

***Acts of Anticipatory Breach and Acts of Default by the Distributor***

Pursuant to sections 9 and 10 of the Agreement, the Distributor’s Earnings Statement and concurrent payment of Royalties<sup>1</sup> are due and payable within thirty days after the end of each calendar quarter. As at the date of this letter, Royalties in respect of Q1 2024 are due by no later than April 30, 2024 (the “**Q1 Royalties**”).

---

<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings attributed to them in the Agreement.

During my discussion in early February with Deloitte Restructuring Inc. in its capacity as Court-appointed Monitor (the “**Monitor**”), the Monitor confirmed that the Distributor’s cash flow forecast provided for and contemplated payment in respect of the Q1 Royalties on or before April 30, 2024. Further, since the commencement of the CCAA proceedings, the Distributor has maintained the benefit of revenues in respect of WBD’s licensed intellectual property under the Agreement.

We have been advised that the Distributor does not intend to pay the required Q1 Royalties. The Distributor’s refusal and/or failure to undertake to make payment as required by the Agreement is an act of anticipatory breach. If the Distributor fails to meet its Royalty and Earning Statement obligations due April 30, 2024, such act or omission constitutes a default under the Agreement which gives rise to WBD’s right to terminate the Agreement. To date, we are not aware of any steps or intention of the Distributor to disclaim the Agreement.

Considering the circumstances and the admission that the Distributor does not intend to pay the Q1 Royalties, WBD hereby seeks the consent of the Distributor and the Monitor to immediately terminate the Agreement in accordance with the Initial Order. If such consent is not imminently provided, we will take steps to seek leave of the Court to do so. We hope that this will not be necessary.

### **Consequences of Termination of the Agreement**

We confirm that, upon the termination of the Agreement, all Exhibition Agreements are likewise terminated immediately pursuant to s. 17(d) of the Agreement. Further, the Agreement requires the Distributor to promptly provide WBD with all original and complete or partial copies of the Simex Attractions, all Advertising Materials and any related materials in its possession furnished by WBD.

The Distributor shall immediately cease any use, advertising, marketing, sublicensing, reproduction or distribution of the Simex Attractions. Therefore, WBD requires all materials and intellectual property in the possession and/or control of the Distributor to be delivered immediately to WBD (c/o Dana Lira. Email: dana.lira@wbd.com). Where the materials or intellectual property cannot be delivered due to the nature of its format, WBD requires (i) a detailed list of such items, (ii) a description of its current state, and (iii) the immediate destruction of such materials and confirmation of same to safeguard against improper use and/or improper retention of confidential materials (including all intellectual property) belonging to WBD.

### **Withholding Taxes**

We also request your confirmation that any Withholding Taxes as payable under the Agreement have been paid to the applicable taxing authority along with satisfactory evidence of such payment.



Thornton Grout Finnigan LLP

3.

We look forward to your cooperation in this matter and your position on the termination of the Agreement. For greater clarity, WBD reserves and preserves all of its rights and remedies in respect of the Pre-Filing Arrears, Q1 Royalties, and additional amounts that have accrued or are accruing and payable under the Agreement.

Yours truly,

**Thornton Grout Finnigan LLP**

A handwritten signature in black ink, appearing to read 'R. Nicholson'.

Rachel A. Nicholson

RAN/IF

cc. Roger Jaipargas, *Borden Ladner Gervais LLP*  
Jordan Sleet, *Deloitte Restructuring Inc.*  
Richard Williams, *Deloitte Restructuring Inc.*

# Appendix I



**R. Graham Phoenix\***

Tel: 416.748.4776

Email: [gphoenix@LN.law](mailto:gphoenix@LN.law)

\*Practicing as RGP Professional Corporation

**DELIVERED VIA EMAIL** ([rnicholson@tgf.ca](mailto:rnicholson@tgf.ca))

File code: 33501-0001

April 22, 2024

**THORNTON GROUT FINNIGAN LLP**

100 Wellington St. W, Suite 3200

Toronto, ON M5K 1K7

Attention: Rachel Nicholson

Dear Ms. Nicholson,

**RE: In the Matter of SimEx Inc., Iwerks Entertainment, Inc., SimEx-Iwerks  
Myrtle Beach, LLC Court File No. CV-24-00713128-0000**

---

We are in receipt of your letter of April 18, 2024, sent on behalf of Warner Brothers Discovery Inc. (“**Warner Brothers**”).

As discussed, the CCAA marketing and sale process was not successful, nor were management’s efforts to craft an alternative to keep the business alive. In fact, management’s efforts, including discussion with you and Warner Brothers and various versions of proposals to be considered by the Monitor and the Applicants’ senior creditors – supported by a willingness to raise funds against personal assets – were the last hope for the company and the stakeholders to see the business continue. But for those efforts, the business and the CCAA proceedings would have ended previously. Regardless, despite these best efforts, the Applicants will now move to terminate the CCAA and commence bankruptcy and liquidation proceedings.

The Applicants are mindful of Warner Brothers’ position. The parties have worked together for years and had hoped this process would result in a continuation of the business. However, the Applicants are not in a position to continue.

As concerns the termination of the licensing agreements, the Applicants will consent to the termination of the same. We have consulted with the Monitor and can confirm that the Monitor (copied) also consents, provided that such consent is for the convenience of Warner Brothers and the Applicants do not have the resources to – and are not committing to – implement and monitor the post-termination requests of Warner Brothers. The Applicants will, however, send correspondence to those counterparties utilizing Warner Brothers’ films and other intellectual property (the “WB-IP”) advising that our contract with Warner Brothers is terminated and that



those parties must cease using all WP-IP and return or dispose of the same. To the extent the Applicants have any WB-IP, they will return the same by email (where possible) or destroy the same or make the same available for pick up by Warner Brothers' representatives. Warner Brothers may take such independent steps to safeguard the WP-IP as it may determine appropriate.

We trust the above is satisfactory. The Applicants will now contact the appropriate counterparties as above.

Yours truly,

**LOOPSTRA NIXON LLP**

Per:

R. Graham Phoenix  
Partner

RGP/aa

cc Jordan Sleeth ([jsleeth@deloitte.ca](mailto:jsleeth@deloitte.ca)) & Richard Williams ([richwilliams@deloitte.ca](mailto:richwilliams@deloitte.ca)), of the Monitor  
Roger Jaipargas ([rjaipargas@blg.com](mailto:rjaipargas@blg.com)), Borden Ladner Gervais LLP, counsel to the Monitor

# Appendix J

April 24, 2024

**VIA EMAIL**

Loopstra Nixon LLP  
135 Queens Plate Drive  
Suite 600  
Toronto ON M9W 6V7

**Attention: Graham Phoenix**

Dear Sir:

**Re: In the Matter of SimEx Inc., Iwerks Entertainment, Inc., SimEx-Iwerks Myrtle Beach (the “Applicants”), LLC Court File No. CV-24-00713128-0000**

We are in receipt of your letter dated April 22, 2024 confirming that the Applicants and Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor, consent to the termination of the Agreement. Any capitalized terms not otherwise defined herein are as defined in my letter to you dated April 18, 2024.

Please provide the following information in respect of each contract counterparty utilizing WBD films and other intellectual property (collectively, the “**WB-IP**”), (i) name, (ii) contact information, (iii) list of all WB-IP in the possession of such counterparty, (iv) description of current state of such WB-IP, and (v) copies of all correspondence sent from the Applicants to such counterparty in respect of the termination of the Agreement and return or destruction of the WB-IP. Please confirm that WBD may reach out to such contract counterparty directly (which such request or communication does not obviate the need for the Applicants, or trustee in bankruptcy as applicable, to cause the return or destruction of such WB-IP).

Further, please provide a list of the WB-IP in the possession of the Applicants that is being returned, destroyed and/or made available for pick up as noted in your letter, along with a description of its current state.

We also request confirmation that Deloitte Restructuring Inc., once trustee in bankruptcy, will continue to advance the noted efforts to cause the orderly return or destruction of the WB-IP, as applicable.

We reiterate our request for your confirmation that any Withholding Taxes as payable under the Agreement have been paid to the applicable taxing authority along with satisfactory evidence of such payment.



Yours truly,

**Thornton Grout Finnigan LLP**



Rachel A. Nicholson

RAN/IF

cc. Roger Jaipargas, *Borden Ladner Gervais LLP*  
Jordan Sleeth and Richard Williams, *Deloitte Restructuring Inc.*

# Appendix K

## Sleeth, Jordan

---

**From:** R. Graham Phoenix <gphoenix@LN.Law>  
**Sent:** Thursday, April 25, 2024 9:53 AM  
**To:** Rachel Nicholson  
**Cc:** Roger Jaipargas; Sleeth, Jordan; Williams, Richard  
**Subject:** [EXT] RE: [EXTERNAL] SimEx [IMAN-CLIENT.FID186754]  
**Attachments:** Simex Form Letter to Network WB Users 1.docx

Rachel, in the interest of time, please accept this email as the Simex Group's response to your letter.

We are in receipt of your letter dated April 24, 2024.

The Applicants will endeavour to provide you with the list of information requested at paragraph 2 of your letter today. Some of the referenced correspondence with WB-IP users was in progress yesterday and the Applicants key representative is on the West Coast. Accordingly, it will be delayed. That being said, attached is a copy of the form letter that the Applicants are sending to any WP-IP users in their network.

Additionally, the Applicants will get you a list of WB-IP in their possession today. However, as you are aware the Applicants are in the process of terminating their current CCAA proceedings, in part because they have no funding to continue any operations. Accordingly, the Applicants will not be taking any steps to destroy the IP today. They will ensure the list if available to any trustee, when one is appointment. However, the extent to which a trustee will deal with the WB-IP is matter for the trustee, which we imagine will only be addressed after those proceedings have commenced and the trustee is appointed.

Regards,

Graham

**R. Graham Phoenix**

Partner | Loopstra Nixon LLP

☎ 416.748.4776 | 📠 416.558.4492

✉ [gphoenix@LN.Law](mailto:gphoenix@LN.Law)

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\*RGP Professional Corporation

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**From:** Rachel Nicholson <RNicholson@tgf.ca>  
**Sent:** Wednesday, April 24, 2024 8:24 PM  
**To:** R. Graham Phoenix <gphoenix@LN.Law>  
**Cc:** Roger Jaipargas <rjaipargas@blg.com>; Sleeth, Jordan <jsleeth@deloitte.ca>; richwilliams@deloitte.ca  
**Subject:** RE: [EXTERNAL] SimEx [IMAN-CLIENT.FID186754]

Graham – please see the attached letter.

Thanks,  
Rachel



Rachel A. Nicholson | RNicholson@tgf.ca | Direct Line +1 416 304 1153 | www.tgf.ca

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**From:** R. Graham Phoenix <gphoenix@LN.Law>  
**Sent:** Monday, April 22, 2024 3:28 PM  
**To:** Rachel Nicholson <RNicholson@tgf.ca>  
**Cc:** Roger Jaipargas <rjaipargas@blg.com>; Sleeth, Jorden <jsleeth@deloitte.ca>; richwilliams@deloitte.ca  
**Subject:** [EXTERNAL]RE: SimEx

You do not need to prepare materials.

Please see attached correspondence.

This correspondence is not in our motion materials, as they are coming out shortly. However, I understand the monitor will address in the next report.

Graham

**R. Graham Phoenix**

Partner | Loopstra Nixon LLP

☎ 416.748.4776 | 📱 416.558.4492

✉ [gphoenix@LN.Law](mailto:gphoenix@LN.Law)

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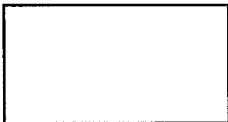
\*RGP Professional Corporation

**From:** Rachel Nicholson <RNicholson@tgf.ca>  
**Sent:** Monday, April 22, 2024 2:39 PM  
**To:** R. Graham Phoenix <gphoenix@LN.Law>  
**Cc:** Roger Jaipargas <rjaipargas@blg.com>; Sleeth, Jorden <jsleeth@deloitte.ca>; richwilliams@deloitte.ca  
**Subject:** RE: SimEx

Hi Graham,

Following up on the attached letter. Can the company and Monitor please provide consent to terminate the Agreement? If we need to prepare lift stay materials, I need to know that ASAP. I hope that will not be necessary in the circumstances.

Thanks,  
Rachel



Rachel A. Nicholson | RNicholson@tgf.ca | Direct Line +1 416 304 1153 | www.tgf.ca

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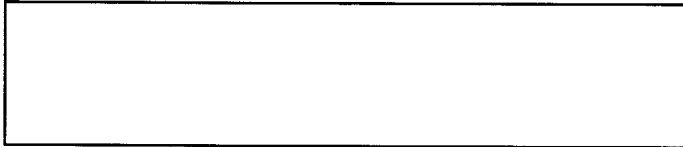
**From:** Rachel Nicholson <RNicholson@tgf.ca>  
**Sent:** Thursday, April 18, 2024 10:18 PM  
**To:** Graham Phoenix <gphoenix@loonix.com>

**Cc:** Roger Jaipargas <rjaipargas@blg.com>; Sleeth, Jordan <jsleeth@deloitte.ca>; richwilliams@deloitte.ca  
**Subject:** SimEx [IMAN-CLIENT.FID186754]

Graham,

Please see the attached letter.

Regards,  
Rachel



Rachel A. Nicholson | | RNicholson@tgf.ca | Direct Line +1 416 304 1153 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca

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FORM OF LETTER/EMAIL TO NETWORK USERS OF WARNER BROTHERS IP.

We are writing further to the formal restructuring efforts of Simex | Iwerks (the "Company"), undertaken over the last two-plus months.

Regrettably, such efforts were not successful. While certain members of the management team are exploring alternatives that will allow for potential revival of the commercial activities in the near future, regrettably the existing business of the Company will not continue past this week.

Additionally, as part of this process, Warner Brothers Discovery Inc. ("Warner Brothers") has just this week terminated its agreements with Company. Accordingly, effective immediately, the Company no longer has the rights to any Warner Brothers films used by you. As such, we are obligated to write to you and advise that you are to cease using such Warner Brothers films and branded products immediately. Such films and products ("Intellectual Property") is to be returned by email to our office, copied to Warner Brothers at [dana.lira@WBD.com](mailto:dana.lira@WBD.com). If such Intellectual Property cannot be returned by email, (i) a listing of the same must be provided to our office (copied to [dana.lira@WBD.com](mailto:dana.lira@WBD.com)), along with (ii) a description of its current state and (iii) confirmation that the Intellectual Property has been destroyed or will be destroyed as soon as possible.

We appreciate this will be a challenge for your business. Please believe us when we say we tried all manner of things to avoid this outcome. That being said, as discussed above, certain members of management are working on near-term alternatives to work with you that would potentially require new agreements with Warner Brothers and other studios. Accordingly, it is in our mutual best interests to comply with these requests from Warner Brothers immediately. Failure to do so may result in legal action by Warner Brothers.

If any alternative business stream comes together, you will be contacted immediately. In the interim, we apologize for the short nature of this email and for the circumstances. The Company has valued our relationship from day 1 and we are extremely disappointed to have to send this email. We wish you the best and hope to connect with you soon.

# Appendix L

Roger Jaipargas  
T: 416-367-6266  
rjaipargas@blg.com

Borden Ladner Gervais LLP  
Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada M5H 4E3  
T 416.367.6000  
F 416.367.6749  
blg.com



April 25, 2024

**DELIVERED BY EMAIL** ([RNicholson@tgf.ca](mailto:RNicholson@tgf.ca))

Thornton Grout Finnigan LLP  
Suite 3200, 100 Wellington Street West  
P. O. Box 329, Toronto-Dominion Centre  
Toronto, ON M5K 1K7

Attention: Ms. Rachel A. Nicholson

Dear Ms. Nicholson,

**Re: In the Matter of SimEx Inc., Iwerks Entertainment, Inc., SimEx-Iwerks Myrtle Beach (the “Applicants”), LLC (Court File No. CV-24-00713128-0000)**

As you know, we are the lawyers for Deloitte Restructuring Inc., in its capacity as court-appointed monitor (the “**Monitor**”) in connection with the above-noted matter. I acknowledge receipt of your letter dated April 24, 2024.

I understand that you have been working with Mr. Phoenix, counsel to the Applicants, in connection with the various matters of concern to Warner Brothers Discovery Inc. (“**WB**”). The Monitor further understands that the Applicants have been cooperative in that regard, given the limited resources and the current challenges facing the Applicants, as set-out in the Motion Record of the Applicants that was served earlier this week in connection with the CCAA Termination Order that will be sought from the Court at the hearing on April 26, 2024. I understand that Mr. Phoenix will respond to you on behalf of the Applicants, in connection with the matters raised in your letter of April 24, 2024.

With regard to the statements made in your letter of April 24, 2024, with respect to steps that Deloitte Restructuring Inc. (“**Deloitte**”) may take as proposed trustee in bankruptcy of SimEx Inc. (“**SimEx**”), I wish to respond to same. First, as you know, part of the relief sought in the form of the CCAA Termination Order is Court authorization for the Monitor to file an assignment in bankruptcy of SimEx. Accordingly, it is not a foregone conclusion that Deloitte will be the trustee in bankruptcy of SimEx, as same is subject to the Court granting the CCAA Termination Order, in the form served by counsel for the Applicants, in connection with the hearing on April 26, 2024. Secondly, the proposed funding for Deloitte, as proposed trustee in bankruptcy of SimEx, is meant to address the costs for Deloitte to fulfill its statutory duties and obligations as trustee in bankruptcy pursuant to the provisions of the *Bankruptcy and Insolvency Act* (“**BIA**”). Accordingly, and to be clear, if the CCAA Termination Order is granted, and if an assignment in bankruptcy is made for SimEx, with Deloitte acting as the trustee in bankruptcy, the trustee in bankruptcy will not be in a



position to “continue to advance the noted efforts to cause the orderly return or destruction of the WB-IP, as applicable”.

I trust that you will manage WB’s expectations in connection with the proposed bankruptcy of SimEx, given the trustee’s duties and obligations under the BIA. I believe that this addresses the matters canvased in your letter of April 24, 2024 with regard to Deloitte, in its role as Monitor and as proposed trustee in bankruptcy of SimEx.

Yours truly,

**BORDEN LADNER GERVAIS LLP**



Roger Jaipargas

RJ/je

cc Richard Williams, Deloitte Restructuring Inc.  
Jordan Sleeth, Deloitte Restructuring Inc.  
Graham Phoenix, Loopstra Nixon LLP

144337383:v1

# Appendix M

April 25, 2024

VIA EMAIL

**Loopstra Nixon LLP**  
130 Adelaide St. West, Suite 2800  
Toronto, ON M5H 3P5

**Attention:** **Graham Phoenix** ([gphoenix@LN.law](mailto:gphoenix@LN.law))  
**Shahrazad Hamraz** ([shamraz@LN.law](mailto:shamraz@LN.law))

Dear Counsel:

**Re: In the Matter of a Plan of Compromise or Arrangement of SimEx Inc., Iwerks Entertainment, Inc. and SimEx-Iwerks Myrtle Beach, LLC**  
**Court File No. CV-24-00713128-0000**  
**(the “CCAA Proceedings”)**

---

As you are aware, we are the lawyers for Disney Location-Based Experiences, LLC, Twentieth Century Fox Licensing and Merchandising, a division of Fox Entertainment Group, LLC, and Twentieth Century Fox Film Corporation (collectively, “Disney”).

Reference is made to the following:

- (a) the Merchandising License Agreement dated as of February 19, 2013 between Twentieth Century Fox Licensing and Merchandising, a division of Fox Entertainment Group, Inc., as Administrator for Twentieth Century Fox Film Corporation, and SimEx Inc. and its subsidiary, Iwerks Entertainment Inc. in connection with the use of certain elements of the television series entitled “The Simpsons” (as amended, replaced, restated or supplemented from time to time, the “**Simpsons Agreement**”);
- (b) the Merchandising License Agreement dated as of November 5, 2014 between Twentieth Century Fox Licensing and Merchandising, a division of Fox Entertainment Group, Inc., as Administrator for Twentieth Century Fox Film Corporation, and SimEx Inc. and its subsidiary, Iwerks Entertainment Inc., and Blue Sky Studios (a subsidiary of Fox Entertainment Group, Inc.) in connection with the use of the animated short film entitled “No Time For Nuts” and certain elements of the theatrical motion pictures entitled “Ice Age”, “Ice Age: The Meltdown”, “Ice Age: Dawn of the Dinosaurs” and “Ice Age: Continental Drift” (as amended, replaced, restated or supplemented from time to time, the “**Ice Age Agreement**”);
- (c) the License Agreement dated as of February 9, 2017 between Twentieth Century Fox Licensing and Merchandising, a division of Fox Entertainment Group, LLC, as

Administrator for Twentieth Century Fox Film Corporation and SimEx Inc. and its subsidiary, Iwerks Entertainment, Inc. in connection with the use of certain elements of the theatrical motion picture entitled “The Martian” (as amended, replaced, restated or supplemented from time to time, the “**Martian Agreement**”);

- (d) the Termination Agreement executed August 29, 2023 in respect of the Martian Agreement (the “**Termination Agreement**”);
- (e) the Merchandising License Agreement dated as of October 20, 2011 between Twentieth Century Fox Licensing and Merchandising, a division of Fox Entertainment Group, LLC, as Administrator for Twentieth Century Fox Film Corporation and SimEx Inc. and its subsidiary, Iwerks Entertainment, Inc. in connection with the use of certain of the elements of the trilogy of theatrical motion pictures entitled “Ice Age”, “Ice Age: The Meltdown”, and “Ice Age: Dawn of the Dinosaurs”, and the animated television special entitled “Ice Age: A Mammoth Christmas” (as amended, replaced, restated or supplemented from time to time, the “**Mammoth Christmas Agreement**”); and
- (f) the Merchandising License Agreement dated as of May 24, 2013 between Twentieth Century Fox Licensing & Merchandising, a division of Fox Entertainment Group, LLC, as Administrator for Twentieth Century Fox Film Corporation and SimEx Inc. and its subsidiary, Iwerks Entertainment, Inc. in connection with the use of certain of the elements of the theatrical motion picture entitled “Rio” (as amended, replaced, restated or supplemented from time to time, the “**Rio Agreement**”),

(collectively, the “**Licensing Agreements**”).

We also refer to the amounts that accrued and were payable to Disney under the Licensing Agreements prior to the commencement of the CCAA Proceedings in the amount of approximately U.S.\$400,000. The Applicants’ next obligation to Disney pursuant to the Licensing Agreements is due on or before April 30, 2024.

We are in receipt of the Applicants’ Motion Record in connection with their motion returnable on April 26, 2024 for an Order, *inter alia*, terminating the CCAA Proceedings and related Chapter 15 proceedings in the United States under the United States Bankruptcy Code (the “**US Code**”), discharging Deloitte Restructuring Inc. as Court-appointed monitor of the Applicants in the CCAA Proceedings (the “**Monitor**”), authorizing the Monitor to file an assignment in bankruptcy for SimEx Inc. pursuant to the *Bankruptcy and Insolvency Act*, and authorizing the Applicants to cause each of Iwerks Entertainment, Inc. and SimEx Iwerks Myrtle Beach, LLC to commence Chapter 7 liquidation proceedings under the US Code.

The scope of the relief to be sought by the Applicants on April 26<sup>th</sup> is concerning to Disney and appears to evidence the Applicants’ inability or refusal to comply with their remaining obligations to Disney under the Licensing Agreements. If the Applicants fail to meet their obligations due April 30, 2024, such act or omission constitutes a default under the Licensing Agreements and entitles Disney to terminate the Licensing Agreements.

To date, we have not received any confirmation that the Applicants will be able or willing to satisfy their imminent obligations to Disney as they become due. Accordingly, in the circumstances, Disney seeks the consent of the Applicants and the Monitor to immediately terminate the Licensing Agreements in accordance with the terms of the Initial Order dated January 19, 2024 granted by Justice Conway in the CCAA Proceedings and the Amended and the subsequent Restated Initial Order of Justice Conway dated January 29, 2024. If such consents are not provided on an immediate and urgent basis, Disney intends to take steps to seek the leave of the Court to terminate the Licensing Agreements.

We confirm that upon the termination of the Licensing Agreements, the Applicants—in their capacity as Licensees (as defined in the Licensing Agreements, variously)—shall have no further right to exercise any rights granted to them by the Licensing Agreements, and shall immediately return to Disney (care of Susanna Muk, [susanna.muk@disney.com](mailto:susanna.muk@disney.com)) all Copyrighted Materials, all other materials used in the production of the Attractions, and Merchandise (each as defined in the Licensing Agreements) in the Applicants' possession and/or control. Furthermore, upon the termination of the Licensing Agreements, the Applicants shall inform the venue operators to immediately cease all showings.

We trust that the Applicants will cooperate fully with Disney on this matter and look forward to the Applicants' written confirmation in that regard, including the Applicants' position on the termination of the Licensing Agreements. Please note that Disney reserves all of its rights and remedies under and in connection with the Licensing Agreements and nothing set out in this letter shall constitute a waiver of same.

Yours truly,

AIRD & BERLIS LLP



Ian Aversa  
IA/ML

- c. Jordan Sleeth ([jsleeth@deloitte.ca](mailto:jsleeth@deloitte.ca))
- Richard Williams ([richwilliams@deloitte.ca](mailto:richwilliams@deloitte.ca))
- Roger Jaipargas ([RJaipargas@blg.com](mailto:RJaipargas@blg.com))

60030972.3

# Appendix N

ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF  
COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
SIMEX INC., IWERKS ENTERTAINMENT INC., AND  
SIMEX-IWERKS MYRTLE BEACH LLC

Applicant

AFFIDAVIT OF JORDEN SLEETH  
(sworn April 24, 2024)

I, **Jorden Sleeth**, of the Town of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Chartered Insolvency and Restructuring Professional and Licensed Insolvency Trustee qualified to practice in the Province of Ontario, and am a Senior Vice-President of Deloitte Restructuring Inc. ("**Deloitte**"), the Court-appointed Monitor (the "**Monitor**") of SimEx Inc., Iwerks Entertainment Inc., and SimEx-Iwerks Myrtle Beach LLC (the "**Debtors**"). Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. On January 19, 2024, this Court made an initial order pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") which, among other things, appointed Deloitte as Monitor of the Debtors.
3. Attached hereto and marked as **Exhibit "A"** is a schedule summarizing the invoices in Exhibit "B", the total billable hours charged, the total fees charged and the average hourly rate charged. The Monitor expended a total of 1,124.2 hours in connection with this matter during the period from January 11, 2024 to April 19, 2024, giving rise to fees net of discounts of \$443,060.00 and disbursements of

\$13,665.36 totaling \$456,725.36. With HST of \$59,374.29, total fees, disbursements and HST total \$516,099.65. The average fee rate was \$394.11 per hour.

4. The Monitor estimates that its fees and disbursements for the period from April 20, 2024 through its discharge will be \$40,000 and \$5,000, respectively.

5. Attached hereto and marked as **Exhibit "B"** is a copy of the invoices rendered by the Monitor in respect of the periods from January 11, 2024 to April 19, 2024. The invoices contain the fees (including details of the billing rates and total hours of each of the members of Deloitte who acted on behalf of the Monitor in these proceedings), disbursements and HST charged by Deloitte in these proceedings.

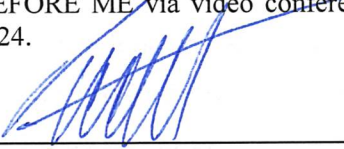
6. Attached hereto and marked as **Exhibit "C"** is a summary of the personnel, hours and hourly rates charged by the Monitor in respect of these CCAA Proceedings for the Monitor's Fee Period.

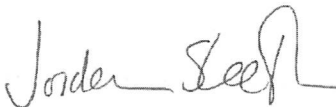
7. Attached hereto and marked as **Exhibit "D"** are copies of the invoices rendered by the Monitor's US counsel, Perkins Coie LLP ("**Perkins**") and Chipman Brown Cicero & Cole, LLP ("**CBCC**" and, together with Perkins, the "**US Counsel**"). The fees and disbursements of Perkins for the period January 17, 2024 to March 28, 2024 total USD \$139,337.60 and the fees and disbursements of CBCC for the period January 18, 2024 to March 31, 2024 total USD \$40,019.96.

8. Perkins role has been terminated and the Monitor does not expect that it will incur any additional fees or disbursements in connection with the CCAA Proceedings. The Monitor is advised by CBCC that its fees and disbursements to terminate the Chapter 15 Proceedings are estimated to be USD \$30,000.00 and USD \$5,000.00, respectively.

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

SWORN BEFORE ME via video conference, on  
April 24, 2024.

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

  
\_\_\_\_\_  
Jordan Sleeth CPA, CIRP, LIT

Todd Jeffrey Ambachtsheer,  
a Commissioner, etc., Province of Ontario,  
for Deloitte LLP and Deloitte Restructuring Inc.  
Expires September 9, 2024.



Attached is Exhibit "A" Referred to in the

AFFIDAVIT OF JORDEN SLEETH

Sworn before me

This 24<sup>th</sup> day of April, 2024

A handwritten signature in blue ink, appearing to be "T. Ambachtsheer", written over a horizontal line.

Commissioner for taking Affidavits, etc.

**Todd Jeffrey Ambachtsheer,**  
a Commissioner, etc., Province of Ontario,  
for Deloitte LLP and Deloitte Restructuring Inc.  
Expires September 9, 2024.

**EXHIBIT 'A'**

**DELOITTE RESTRUCTURING INC.  
MONITOR OF SIMEX INC., IWERKS ENTERTAINMENT, INC. AND SIMEX-IWERKS MYRTLE BEACH, LLC**

Summary of the fees and disbursements of Deloitte Restructuring Inc. in its capacity as Monitor of the Debtors  
For the period January 11, 2024 to April 19, 2024

Invoice	Period		Hours	Fees	Disbursements	Discount	Subtotal	HST	Total	Avg Hrly Rate
	Start	End								
8004490277	11-Jan-24	26-Jan-24	323.3	145,452.50	3,613.58	(25,000.00)	124,066.08	16,128.59	140,194.66	372.57
8004495276	27-Jan-24	9-Feb-24	255.0	115,157.50	3,173.63	(17,000.00)	101,331.13	13,173.05	114,504.17	384.93
8004522178	10-Feb-24	24-Feb-24	126.1	56,485.00	1,439.55	(8,500.00)	49,424.55	6,425.19	55,849.74	380.53
8004617108	25-Feb-24	15-Mar-24	182.1	79,185.00	2,160.21	(12,000.00)	69,345.21	9,014.88	78,360.09	368.95
8004640731	16-Mar-24	31-Mar-24	116.4	59,520.00	1,515.60	(9,000.00)	52,035.60	6,764.63	58,800.23	434.02
8004689896	1-Apr-24	19-Apr-24	121.3	69,260.00	1,762.80	(10,500.00)	60,522.80	7,867.96	68,390.76	484.42
<b>TOTAL</b>			<b>1,124.2</b>	<b>\$ 525,060.00</b>	<b>\$ 13,665.36</b>	<b>\$ (82,000.00)</b>	<b>\$ 456,725.36</b>	<b>\$ 59,374.29</b>	<b>\$516,099.65</b>	<b>\$ 394.11</b>
Accrual to Monitor discharge*			TBD	40,000.00	5,000.00	-	45,000.00	5,850.00	50,850.00	
<b>Grand total to discharge</b>				<b>565,060.00</b>	<b>18,665.36</b>	<b>(82,000.00)</b>	<b>501,725.36</b>	<b>65,224.29</b>	<b>566,949.65</b>	

\* Any unspent portion of this accrual will be distributed to the Trustee in Bankruptcy of SimEx.

Attached is Exhibit "B" Referred to in the

**AFFIDAVIT OF JORDREN SLEETH**

Sworn before me

This 24<sup>th</sup> day of April, 2024



Commissioner for taking Affidavits, etc.

**Todd Jeffrey Ambachtsheer,**  
a Commissioner, etc., Province of Ontario,  
for Deloitte LLP and Deloitte Restructuring Inc.  
Expires September 9, 2024.



**Invoice 8004490277**

**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Milan Ghosh  
SimEx Inc.  
210 King Street East, Suite 600  
Toronto ON M5A 1J7  
Canada

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

Date: February 26, 2024  
Client No.: 1693556  
WBS#: SIM00992  
Engagement Partner: Jordan Sleeth

GST/HST Registration: 122893605RT0001  
QST Registration: 1012314163TQ0001

**For professional services rendered**

**Fees**

For work performed in connection with the CCAA Proceedings of SimEx Inc., Iwerks Entertainment, Inc. and Simex-Iwerks Myrtle Beach, LLC for the period January 10, 2024 to January 26, 2024.

Please see attached appendixes for details.

**Sales Tax**

HST applicable	120,452.50
Administrative Expense	3,613.58
HST at 13.00 %	<u>16,128.59</u>
<b>Total Amount Due (CAD)</b>	<b><u>140,194.67</u></b>

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8004490277

February 26, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
SimEx Inc.	1693556	8004490277	140,194.67	Payment for invoice 8004490277

**Contact:**

Please send payment confirmation by email to: [receivablesdebiturs@deloitte.ca](mailto:receivablesdebiturs@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

#### \*Preferred Method\*

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Transit – Institution :** 47696-002  
**Account Number :** 1590219

#### USD Payment

**Transit – Institution :** 47696-002  
**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Account Number :** 476961590219  
**Swift Code :** NOSCCATT

#### USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

**Account Number :** 476961363514  
**Swift Code :** NOSCCATT  
**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

#### USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514  
**Swift Code :** BOFAUS3N  
**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

#### For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567C  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

#### For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567U  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

# Deloitte.

## Appendix #1 Summary of Fees

Name	Level	Role	Hours	Rate	Amount
Sleeth, Jordan	Partner	Monitor	19.0	900.00	17,100.00
Meakin, Nigel	Partner	Monitor	5.6	900.00	5,040.00
Beaton, Douglas	Partner	SISP	8.0	900.00	7,200.00
Wilhelm, Klemens	Partner	SISP	1.0	900.00	900.00
Williams, Richard	Director	Monitor	19.4	750.00	14,550.00
Brown, Rose	Manager	Monitor	1.2	500.00	600.00
Zhao, Kevin	Senior Manager	SISP	5.0	600.00	3,000.00
Hislop, Keelyn	Manager	SISP	60.6	500.00	30,300.00
Lin, Mu-Shan Martin	Manager	Monitor	37.3	500.00	18,650.00
Conorton, Laura	Consultant	Monitor	7.9	200.00	1,580.00
Pandit, Arpana	Senior	Monitor	30.0	375.00	11,250.00
Findlay, Julia	Analyst	SISP	66.1	275.00	18,177.50
Ang, Woan Shiuan	Analyst	SISP	51.2	275.00	14,080.00
Rastogi, Aarav	Analyst	SISP	11.0	275.00	3,025.00
<b>Total Professional Hours and Fees</b>			<b>323.3</b>		<b>145,452.50</b>
Out-of-pocket Expenses					-
<b>Total Fees and Expenses (CAD)</b>					<b>145,452.50</b>
<b>Discount</b>				<b>17%</b>	<b>(25,000.00)</b>
<b>Adjusted Total Fees and Expenses</b>					<b>120,452.50</b>



**Appendix #2**

**Work performed from January 10, 2024 to January 26, 2024**

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
1/10/2024	Hislop, Keelyn	Buyer List - research, finalization Marketing Materials - Introductory Section	1.5
1/11/2024	Findlay, Julia	Researching buyers. Reviewing buyers listing from ICC. Building CIM skeleton. SimEx internal touchpoint.	4.5
1/11/2024	Hislop, Keelyn	Buyer List - research, finalization Marketing Materials - Introductory Section	2.1
1/12/2024	Findlay, Julia	Building CIM slides. Internal touchpoint.	6.0
1/12/2024	Hislop, Keelyn	Buyer List - research, finalization Marketing Materials - Introductory Section	2.0
1/12/2024	Rastogi, Aarav	Preparing buyer profiles in the spreadsheet	6.0
1/15/2024	Findlay, Julia	Follow-up with ICC on buyers. Research additional financial sponsors. Internal meetings. Formatting CIM slides.	6.3
1/15/2024	Hislop, Keelyn	Reading documents, CIM drafting - Intro / Executive Summary slides	4.8
1/15/2024	Rastogi, Aarav	Preparing buyer profiles in the spreadsheet	1.0
1/16/2024	Ang, Woan Shiuan	Review engagement materials and financials. Kick-off meeting.	1.6
1/16/2024	Findlay, Julia	Cleansing Buyers and checking ICC work. Preparing CIM slides. Updating IRL and questions listing. Internal meeting.	5.8
1/16/2024	Hislop, Keelyn	Buyer list review (addition of financial sponsors), CIM drafting (financial section), IRL document for client.	5.7
1/16/2024	Rastogi, Aarav	Preparing buyer profiles in the spreadsheet	4.0
1/17/2024	Ang, Woan Shiuan	Review financials, prep buyers list, internal meetings.	5.8
1/17/2024	Beaton, Douglas	Review CCAA and Simex documents. Internal discussions. Review marketing materials outline.	1.0
1/17/2024	Findlay, Julia	Updating the IRL. Setting up sharefile folders. Tiering all buyers. Identifying customer contacts for strategic buyers. Identifying DESC and CRM contacts for financial and strategic buyers.	6.5
1/17/2024	Hislop, Keelyn	CIM drafting (Financial section), review of buyer list (distressed investors), IRL refining	4.5
1/17/2024	Meakin, Nigel	Review of filing materials and pre-filing report. Discussions with team.	1.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
1/18/2024	Ang, Woan Shiuan	Management bios, org structure, buyers list, internal meetings.	6.8
1/18/2024	Findlay, Julia	CIM drafting, internal calls, refine buyers list.	5.0
1/18/2024	Hislop, Keelyn	Buyers list (outreach plans), CIM review, teaser drafting, NDA drafting, Dataroom setup	5.1
1/18/2024	Meakin, Nigel	Review of filing materials and pre-filing report. Discussions with team.	1.0
1/19/2024	Ang, Woan Shiuan	Draft teaser, review film contracts, internal meeting, addressing comments/	5.7
1/19/2024	Beaton, Douglas	Review Simex documents and financials. Review and edit market material drafts. Meeting with internal team to discuss marketing materials and buyer list	2.0
1/19/2024	Conorton, Laura	SimEx - Creating new website, uploading documents	0.8
1/19/2024	Findlay, Julia	Develop CIM and Teaser. Updating Financial Sponsors for distressed PE firms. Updating the IRL and internal calls.	8.0
1/19/2024	Hislop, Keelyn	Buyers list (outreach plans), CIM review, teaser drafting, NDA drafting, Dataroom setup	4.9
1/19/2024	Lin, Mu-Shan Martin	Meeting with A. Pandit re. CF. Attend hearing. Prepare creditor listing for US counsel. Amend creditor listing. Prepare Form 1 and 2 for submission.	7.1
1/19/2024	Sleeth, Jordan	Update call with M&A team re: SISP launch	0.3
1/19/2024	Sleeth, Jordan	Prepare for and attend appointment hearing; call with SimEx employees; meeting with CEO and CFO, debrief with R. Williams; review and execute ELs for US counsel; review Q&A documents; arrange website posting of public documents.	4.5
1/19/2024	Williams, Richard	Emails RJ, JS. Email draft comms to MG. Revise communication docs and instructions to engagement team. Prepare for and attend CCAA hearing. Preparation of notices, statutory filings, etc... Attend at SimEx office for townhall.	4.0
1/19/2024	Williams, Richard	Emails re website. Receipt and review of initial order.	0.3
1/21/2024	Lin, Mu-Shan Martin	Prepare cash monitoring procedures memo.	2.6
1/22/2024	Ang, Woan Shiuan	Updating CIM, buyers list, meeting.	5.3
1/22/2024	Beaton, Douglas	Review and comments on draft buyer and investor list. Review draft teaser, CIM and NDA. Call with SimEx mgmt.	2.0
1/22/2024	Brown, Rose	Filing CCAA with OSB - Form 1	0.5
1/22/2024	Hislop, Keelyn	SimEx marketing materials (teaser, CIM, call with Management, IRL)	4.7



Date	Name	Narrative	Hours
1/22/2024	Lin, Mu-Shan Martin	Setup email address and phone number. Update creditor listing. Address comments on cash monitoring procedures.	4.2
1/22/2024	Pandit, Arpana	Preparing US and Can Creditor listing and reaching out to National Post for Notice publication	5.0
1/22/2024	Sleeth, Jordan	OSB filings; notice considerations emails to BLG.	0.3
1/22/2024	Sleeth, Jordan	Call with SimEx executives re: studio notices, employees	0.5
1/22/2024	Williams, Richard	Review revisions to draft materials and finalize newspaper ad and creditor notice. Emails to engagement team. T/c J. Sleeth. Draft letter to PTC. Review emails with US counsel re Ch. 15 service. Emails M. Ghosh. Deliver creditor listing. SISP call.	4.2
1/23/2024	Ang, Woan Shiuan	Updating CIM, buyers, teaser, meetings	5.5
1/23/2024	Brown, Rose	Reviewing Creditor listing and Labels.	0.2
1/23/2024	Conorton, Laura	Creditor mailing, reviewing documents, correspondence with OSB,	3.5
1/23/2024	Findlay, Julia	Internal call to go over next steps/ requirements/ questions/ CIM Updates; drafting questions for management call	2.5
1/23/2024	Hislop, Keelyn	SimEx marketing materials (teaser, CIM, call with Management, IRL, buyer list)	7.8
1/23/2024	Lin, Mu-Shan Martin	Update creditor listing for website. Cash variance analysis for pre-filing period. Discuss cash monitoring procedures with client.	6.2
1/23/2024	Meakin, Nigel	Review of Chapter 15 materials and comment on same. Discuss potential issues with team. Correspondence	2.1
1/23/2024	Pandit, Arpana	Working on the CAN creditor listing, finding address and completing the listing for mailing and uploading on ascend. Discussion on the cash flow monitoring procedure with M. Lin and trying to access the bank accounts	7.0
1/23/2024	Sleeth, Jordan	Chapter 15 - review filing materials and make comments, discuss same with M. Meaking, circulate memo to BLG re: same; consider US supplier intervention actions (Hydro landlords, studios).	2.5
1/23/2024	Sleeth, Jordan	Receive and consider updates re: studio reach outs and response; review creditor list, notices, newspaper notice, review NDA draft; first report issues.	0.8
1/23/2024	Williams, Richard	Emails R. Jaipargas re DIP, SISP and NDA. Emails A. Pandit re NP ad. Drafting First Report. Review revised IRL from M&A team. Emails re pre-filing obligations and funding requests. Emails N. Hamadi, M. Ghosh re EDC process. Creditor mailing.	2.3

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
1/23/2024	Williams, Richard	Review draft materials for ARIO application - affidavit, ARIO, SISP order.	1.3
1/24/2024	Ang, Woan Shiuan	Updating CIM, buyers, meetings	6.5
1/24/2024	Beaton, Douglas	Review and edit draft CIM. Call with SimEx mgmt.	1.0
1/24/2024	Conorton, Laura	Completion of mailing, setting up Ascend profile, website updates	1.8
1/24/2024	Findlay, Julia	SimEx question session on forecast and IRL. Reviewing content from Milan. Updating Timeline slides. Call with Montreal Contact for RS Files and required procedures to follow. Updating CIM	6.5
1/24/2024	Hislop, Keelyn	SimEx marketing materials (teaser, CIM, call with Management, IRL, buyer list)	6.5
1/24/2024	Lin, Mu-Shan Martin	Cash monitoring activities for week ended Jan 19. Discussion with management on variances.	6.8
1/24/2024	Meakin, Nigel	Chapter 15 materials	0.4
1/24/2024	Pandit, Arpana	Reviewing the bank statement and discussing with the management queries on the statement	5.0
1/24/2024	Sleeth, Jordan	Chapter 15 - call with US counsel re: filing materials, review amended documents and provide comments, update with N. Meakin.	1.2
1/24/2024	Sleeth, Jordan	Attend M&A model review call, receive updates on studio communications; review amended affidavit and ARIO.	2.3
1/24/2024	Williams, Richard	Coordinate mailing and notices. Emails re correspondence with film houses. Review variance analysis. Emails M. Frueh, M. Ghosh.	1.2
1/24/2024	Zhao, Kevin	Forecast and IRL call with management. Review and provide comments to team on CIM	2.0
1/25/2024	Ang, Woan Shiuan	Meetings, updating CIM, buyers, finalizing for review, addressing comments.	8.0
1/25/2024	Brown, Rose	Filing with OSB CCAA - Form 2, Revise Form 2 and have signed.	0.5
1/25/2024	Findlay, Julia	SimEx touchpoints. Call with US Contact for LCSP outreach. CIM data updating clearing comments and generating new slides for Shedd Aquarium and Customer information	7.5
1/25/2024	Hislop, Keelyn	SimEx marketing materials (teaser, CIM, call with Management, IRL, buyer list)	7.8
1/25/2024	Lin, Mu-Shan Martin	Cash monitoring activities for week ended Jan 19. Discussion with management on variances.	6.2
1/25/2024	Meakin, Nigel	Review of court report	0.6

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
1/25/2024	Pandit, Arpana	Updating the cashflow statement based on the discussion with management and comments from M.Lin	6.0
1/25/2024	Sleeth, Jordan	Various - review and comment on Teaser, process letter; review Monitor 1st report and provide comments; complete OSB filing forms.	2.5
1/25/2024	Sleeth, Jordan	Ch. 15 - scan revised and final filing documents, email to US counsel re: drafting notes; call with T. Moss.	1.5
1/25/2024	Wilhelm, Klemens	QA review	1.0
1/25/2024	Williams, Richard	Drafting pre-filing report. Review SISP teaser. Emails M. Frueh re producer correspondence. Emails M. Ghosh, S. McAllister re pre-filing expenses.	2.1
1/25/2024	Zhao, Kevin	Update call with Monitor team. Review CIM and provide comments to team	1.0
1/26/2024	Ang, Woan Shiuan	Meetings, updating cim, addressing comments, buyers dashboard	6.0
1/26/2024	Beaton, Douglas	Call with Simex mgmt to review draft CIM. Review CIM and edit slide on Simpsons and current context. Internal discussion/emails to prepare for buyer outreach).	2.0
1/26/2024	Conorton, Laura	Website updates, reorganization and research	1.8
1/26/2024	Findlay, Julia	Clearing teaser comments. Meeting with client and walking through questions. Internal catchup with the team on progress updates and questions. Buyers tracker, reviewing document, clearing comments on CIM	7.5
1/26/2024	Hislop, Keelyn	SimEx marketing materials (teaser, CIM, call with Management, IRL, buyer list)	3.2
1/26/2024	Lin, Mu-Shan Martin	Cash monitoring activities for week ended Jan 19. Discussion with management on variances. Call with R. Williams on EDC coverage testing.	4.2
1/26/2024	Pandit, Arpana	Preparing template for cashflow for daily monitoring and preparing the cashflow for next week	7.0
1/26/2024	Sleeth, Jordan	Various - Review BLG changes to First Monitor report; cash flow report memo to team.	0.5
1/26/2024	Sleeth, Jordan	Ch. 15 hearing - prep call with US counsel and BLG, scan revised documents; attend court hearing; arrange website postings.	2.1
1/26/2024	Williams, Richard	Review M. Frueh emails re Disney. Review RJ revisions to First Report. Review updates to teaser. Emails L. Conorton re case website. Emails M. Lin re monitoring procedures. Review CIM and email K. HISlop.	2.1

Date	Name	Narrative	Hours
1/26/2024	Williams, Richard	Review Morgan invoices and advise M. Ghosh they appeared to be post-filing expenses. T/c M. Ghosh re credit card payments, pre-filing expenses, EDC reporting. Emails M. Lin, S. Dave re EDC. Emails M. Frueh. Finalize First Report.	1.9
1/26/2024	Zhao, Kevin	Call to review of CIM and Q&A with management. Review CIM, buyers list	2.0
<b>Total</b>			<b>323.3</b>



**Invoice 8004495276**

**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Milan Ghosh  
SimEx Inc.  
210 King Street East, Suite 600  
Toronto ON M5A 1J7  
Canada

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

Date: February 27, 2024  
Client No.: 1693556  
WBS#: SIM00992  
Engagement Partner: Jordan Sleeth

GST/HST Registration: 122893605RT0001  
QST Registration: 1000870419TQ0002

**For professional services rendered**

**Fees**

For work performed in connection with the CCAA Proceedings of SimEx Inc., Iwerks Entertainment, Inc. and Simex-Iwerks Myrtle Beach, LLC for the period to February 9, 2024.

Please see attached appendices for details.

HST applicable 98,157.50

**Expense**

Out-of-pocket Expenses

HST applicable 228.90

Administrative Expense 2,944.73

**Sales Tax**

HST at 13.00 % 13,173.05

**Total Amount Due (CAD) 114,504.18**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8004495276

February 27, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
SimEx Inc.	1693556	8004495276	114,504.18	Payment for invoice 8004495276

**Contact:**

Please send payment confirmation by email to: [receivablesdebiturs@deloitte.ca](mailto:receivablesdebiturs@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

#### \*Preferred Method\*

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Transit – Institution :** 47696-002

**Account Number :** 1590219

#### USD Payment

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

#### USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

#### USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

#### For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567C

PO Box 4567, Stn A

Toronto ON M5W 0J1

#### For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567U

PO Box 4567, Stn A

Toronto ON M5W 0J1



**Appendix #1  
Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Role</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	Monitor	5.3	900.00	4,770.00
Beaton, Douglas	Partner	SISP	3.0	900.00	2,700.00
Wilhelm, Klemens	Partner	SISP	3.0	900.00	2,700.00
Williams, Richard	Director	Monitor	24.4	750.00	18,300.00
Zhao, Kevin	Senior Manager	SISP	27.0	600.00	16,200.00
Brown, Rose	Manager	Monitor	0.2	500.00	100.00
Lin, Mu-Shan Martin	Manager	Monitor	48.1	500.00	24,050.00
Hislop, Keelyn	Manager	SISP	6.0	500.00	3,000.00
Conorton, Laura	Consultant	Monitor	1.5	200.00	300.00
Pandit, Arpana	Senior	Monitor	54.0	375.00	20,250.00
Wong, Kenneth	Senior	SISP	1.0	375.00	375.00
Findlay, Julia	Analyst	SISP	36.5	275.00	10,037.50
Ang, Woan Shiuan	Analyst	SISP	45.0	275.00	12,375.00
<b>Total Professional Hours and Fees</b>			<b>255.0</b>		<b>115,157.50</b>
Out-of-pocket Expenses					228.90
<b>Total Fees and Expenses</b>					<b>115,386.40</b>
<b>Discount</b>				<b>15%</b>	<b>(17,000.00)</b>
<b>Adjusted Total Fees and Expenses</b>					<b>98,386.40</b>



**Appendix #2**

**Work performed to February 9, 2024**

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
1/28/2024	Lin, Mu-Shan Martin	Call with A. Pandit re. variance analysis. Review variance analysis.	2.1
1/28/2024	Wilhelm, Klemens	CIM QA review	3.0
1/28/2024	Sleeth, Jorden	Review CIM, NDA and process letter and provide comments; memo to R. Williams re: stakeholder communications, workstreams.	2.5
1/29/2024	Williams, Richard	Emails re SISP, data room, NDAs. Review US court order re provisional relief. Emails re case website. Emails M. Ghosh re disclaimer. Creditor correspondence. Revise SISP procedures document. Email M. Frueh. Draft studio scripts. Attend comeback hearing.	2.5
1/29/2024	Conorton, Laura	Website updates and uploading.	1.4
1/29/2024	Williams, Richard	Call with company, CF re SISP. T/c M. Frueh re studio calls.	1.2
1/29/2024	Lin, Mu-Shan Martin	Review week ended Jan 19 variance analysis. Discuss with A. Pandit on week ended Jan 26 variance analysis.	3.5
1/29/2024	Ang, Woan Shiuan	Finalizing cim, updating buyers dashboard, meetings	8.0
1/29/2024	Sleeth, Jorden	Prepare for comeback hearing, attend, update team; call with CF team re: SISP process launch, CIM call with CFO.	1.2
1/29/2024	Pandit, Arpana	Updating week ending Jan 19 cashflow based on comments from M Lin and preparing cash flow for weekending Jan 26	5.0
1/29/2024	Zhao, Kevin	Review and edit CIM, review buyers list, prepare marketing outreach, call with Management team	7.0
1/29/2024	Beaton, Douglas	Review marketing materials and discuss changes. Outreach to buyers and investors.	0.5
1/29/2024	Findlay, Julia	Teaser adjustments; Simex Client Call with Client ; Internal calls; Working on CIM; Buyer Outreach	10.5
1/30/2024	Williams, Richard	Emails N. Hamadi. Review emails re SISP, NDA, data room access. Review quote for US notice ad and emails RJ, MD. Review proposed lease disclaimers and emails MG, GP. Meeting MG, JG re expense management and cash flows.	2.4
1/30/2024	Williams, Richard	Update call with CF. Emails MG re rents and storage facility. Review variance analysis, ETC lease. Emails MG. Review lease disclaimers.	1.0



<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
1/30/2024	Lin, Mu-Shan Martin	Prepare forecast for DIP financing. Prepare receipt tracker. Prepare variance analysis for week ended Jan 26. Discuss with management regarding same.	7.3
1/30/2024	Ang, Woan Shiuan	Buyers outreach, meetings	8.0
1/30/2024	Brown, Rose	Scan and sent mail rec'd to Team.	0.1
1/30/2024	Sleeth, Jordan	Review final CIM, call with CF team re: CIM finalization, buyer reach out, ongoing reporting on CIM progress; review Chapter 15 notice issues (USA Today cost); review lease disclaimers and circulate executing copies.	1.3
1/30/2024	Sleeth, Jordan	Review variance reporting.	0.3
1/30/2024	Zhao, Kevin	Review and edit CIM, conduct marketing outreach to buyers, call with Management team, review documents for dataroom, review financials (EBITDA, IS, BS, Capex)	7.0
1/30/2024	Beaton, Douglas	Buyer and investor outreach	0.5
1/30/2024	Findlay, Julia	Internal meeting with Restructuring; Internal meeting with Corporate Finance; Meetings with the client; Updating the CIS and clearing Comments; Financial Statements Reconciliation to Source documents	7.5
1/30/2024	Pandit, Arpana	Preparing receipt tracker for the variance analysis	7.0
1/31/2024	Conorton, Laura	Website updates	0.1
1/31/2024	Williams, Richard	Review variance analysis, SISP process letter, updated service list. Meet with engagement team re cash flow monitoring. Emails re DIP loan, pro fees and US notice costs. Email M. Frueh re Aardman, producer calls. Emails NH re draw request.	2.0
1/31/2024	Ang, Woan Shiuan	Meetings, update buyers dashboard, dataroom setup, outreach, finalizing cim	6.0
1/31/2024	Zhao, Kevin	Review and edit CIM, continue marketing outreach to buyers, call with Management team, review documents for dataroom, review EBITDA normalizations	5.0
1/31/2024	Beaton, Douglas	Final review of all documents after incorporating changes from management.	0.5
1/31/2024	Lin, Mu-Shan Martin	Email re. WIP estimate. Update CFF to include new estimates.	3.1
1/31/2024	Findlay, Julia	Internal Meetings for Dataroom Set up; Internal Meetings for Buyers update and follow-ups required; Internal Meeting with Quality reviewers; Clearing quality reviewers Comments; Setting up the external dat	5.5
2/1/2024	Williams, Richard	Emails MG, A. Rudner re civil case. Emails MF re studio calls. Review cash flow forecast and related emails. Review revisions to FAQ. Emails KZ re SISP.	1.4

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/1/2024	Zhao, Kevin	Finalize CIM, continue marketing outreach to buyers, call with Management team to finalize CIM, review staged dataroom	4.0
2/1/2024	Beaton, Douglas	Review and finalize process letter	0.5
2/1/2024	Wong, Kenneth	To provide QA review on CIM and model.	1.0
2/1/2024	Lin, Mu-Shan Martin	Draft FAQ section. Call with A. Pandit re. receipt tracker and variance analysis.	4.2
2/1/2024	Ang, Woan Shiuan	setting up dataroom, outreach, meetings, updating cim	5.0
2/1/2024	Findlay, Julia	Internal Meetings to go over next steps for clients who have signed NDAs; Follow-up with buyers who we have not received answers from; Adjust for clients comments on the CIM; Research for more recent buyer contact info	3.0
2/1/2024	Pandit, Arpana	Preparing and Finalizing the Jan 26 week ending cashflow and compiling the cashflow for all weeks together	8.0
2/2/2024	Brown, Rose	Scan and sent mail rec'd to the Team.	0.1
2/2/2024	Zhao, Kevin	Dataroom review, send follow-ups and marketing materials to interested parties	2.0
2/2/2024	Williams, Richard	Emails T. Moss, MG, JG re legal disbursements and service list. Review revised CF, emails AP, ML.	1.0
2/2/2024	Lin, Mu-Shan Martin	Review and update receipt tracker, variance analysis, and summary. Email re. ACH forms.	4.2
2/2/2024	Ang, Woan Shiuan	Follow up with buyers, updating buyer dashboard	5.0
2/2/2024	Findlay, Julia	Sending out CIM, SISP, Process letter and completed NDA to buyers; Update buyer tracker for any changes; Resolving upload issues to the virtual dataroom; hourInternal calls with Corporate Finance for questions	3.0
2/5/2024	Williams, Richard	Emails J. Sleeth, K. Zhao re SISP ad. Emails with BLG re creditor correspondence, draft APA. Emails M. Frueh re Aardman call. Arrange SISP notice in Insolvency Insider. Internal meeting - KZ, ML, AP.	1.4
2/5/2024	Pandit, Arpana	Working on the Cashflow for the week ending Feb 02, 2024. Call with R. William on update on Cashflow monitoring and discussion with m. Lin on updated forecasted CF along with call with Jason on the receipt tracker	8.0
2/5/2024	Ang, Woan Shiuan	Follow up with buyers, sending buyers cim, process letter, meetings	4.0
2/5/2024	Zhao, Kevin	Buyer outreach, review dataroom	2.0
2/5/2024	Beaton, Douglas	Review and provide feedback on dataroom and buyer tracker/outreach.	1.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/5/2024	Lin, Mu-Shan Martin	Email and call re. updated CF forecast. Review and prepare updated CF forecast.	2.1
2/5/2024	Hislop, Keelyn	Outreach follow ups, NDA negotiation (Super 78 specifically)	2.2
2/5/2024	Findlay, Julia	• Updating Buyers tracker 1 hour • Internal Team Catchup - 30 mins Internal discussion - 30 mins	2.0
2/6/2024	Williams, Richard	Emails with US counsel re ARIO. Emails MF, JC re pre-filing amounts. Review CRA notice of appearance. Cash flow call with JG, ML, AP. Review draft APA and provide comments. Emails MG.	1.6
2/6/2024	Ang, Woan Shiuan	Follow up with buyers, sending buyers cim and process letter	3.0
2/6/2024	Lin, Mu-Shan Martin	Review and prepare cash flow forecast from Feb 3 to May 3. Discussion with Management re. forecast. Internal discussion re. forecast.	7.2
2/6/2024	Pandit, Arpana	Preparing updated forecast cash flow and variance analysis for based on discussion with management	9.0
2/6/2024	Hislop, Keelyn	Outreach follow ups	0.5
2/6/2024	Findlay, Julia	Updating Buyer Tracker - 1 hour	1.0
2/7/2024	Williams, Richard	Emails A. Pandit re cash flow forecast. Emails BLG re draft APA. Review cash flow forecast and meet with M. Lin, A. Pandit. Meeting with BLG, LN to review APA.	1.7
2/7/2024	Lin, Mu-Shan Martin	Call with J. Gauci re. the cash flow forecast. Update the CFF based on the new receipt assumptions.	6.2
2/7/2024	Ang, Woan Shiuan	Coordinating and following up with buyers	2.0
2/7/2024	Pandit, Arpana	Preparing the variance analysis for the week ending Feb 02, 2024. Call with management to discuss variance analysis	8.5
2/7/2024	Hislop, Keelyn	Outreach follow ups	0.8
2/7/2024	Findlay, Julia	• Updating Buyer Tracker - 1 hour • Replying to emails - 30 mins Preparing Buyer update for RS team - 30 mins	2.0
2/8/2024	Williams, Richard	Review revisions to draft APA and emails BLG, G Phoenix. Review variance analysis and emails A. Pandit. Emails M. Frueh. T/c M. Ghosh re China office and cash flow forecast. Emails ML, AP re cash flow. T/c Aardman re production license. T/c R. Jaipargas.	3.7
2/8/2024	Williams, Richard	T/c M. Frueh re Disney. Emails P. Filion, K. Zhao re SISP. Update call with RBC. Email BLG re APA and US recognition order.	1.2

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/8/2024	Lin, Mu-Shan Martin	Update pro fees amount and timing and receipt assumptions in the CFF. Prepare variance analysis. Internal discussion with A. Pandit on variance analysis and CFF.	5.6
2/8/2024	Ang, Woan Shiuan	Coordinating and following up with buyers	1.0
2/8/2024	Pandit, Arpana	Making changes in the forecast based on review from R. Williams and preparing detailed reasoning for variance analysis between prefilng forecast cash flow and updated forecast cash flow.	5.0
2/8/2024	Hislop, Keelyn	Outreach follow ups	1.2
2/9/2024	Williams, Richard	Creditor correspondence. Cash flow call with JG, MG, ML, AP. Review revised cash flow. Review of BBC and EDC coverage issues. Emails J. Gauci re EDC. Email G. Phoenix re lease disclaimer.	3.1
2/9/2024	Williams, Richard	Emails N. Hamadi, R. Jaipargas re notice of appearance from Warners.	0.2
2/9/2024	Lin, Mu-Shan Martin	Call with Management re. updated CF. Update CF and send to Management. Inquire re. BBC calculation.	2.6
2/9/2024	Ang, Woan Shiuan	Coordinating and following up with buyers	3.0
2/9/2024	Pandit, Arpana	Call with management for discussion on the updated forecast and collating information from bank statement for variance analysis for week ending Feb 09.	3.5
2/9/2024	Hislop, Keelyn	Outreach follow ups, NDA questions	1.3
2/9/2024	Findlay, Julia	Follow-ups for buyers including calling and emailing - 2 hours	2.0
<b>Total</b>			<b>255.0</b>



**Invoice 8004522178**

**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Milan Ghosh  
SimEx Inc.  
210 King Street East, Suite 600  
Toronto ON M5A 1J7  
Canada

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

Date: March 04, 2024  
Client No.: 1693556  
WBS#: SIM00992  
Engagement Partner: Jordan Sleeth

GST/HST Registration: 122893605RT0001  
QST Registration: 1012314163TQ0001

**For professional services rendered**

**Fees**

For work performed in connection with the CCAA Proceedings of SimEx Inc., Iwerks Entertainment, Inc. and Simex-Iwerks Myrtle Beach, LLC for the period to February 24, 2024.

Please see attached appendices for details.

**Sales Tax**

HST applicable	47,985.00
Administrative Expense	1,439.55
HST at 13.00 %	<u>6,425.19</u>
<b>Total Amount Due (CAD)</b>	<b><u>55,849.74</u></b>

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8004522178

March 04, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
SimEx Inc.	1693556	8004522178	55,849.74	Payment for invoice 8004522178

**Contact:**

Please send payment confirmation by email to: [receivablesdebitors@deloitte.ca](mailto:receivablesdebitors@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments (remittance email mandatory) :

#### \*Preferred Method\*

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Transit – Institution :** 47696-002

**Account Number :** 1590219

#### USD Payment

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

#### USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

#### USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

#### For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567C

PO Box 4567, Stn A

Toronto ON M5W 0J1

#### For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567U

PO Box 4567, Stn A

Toronto ON M5W 0J1



**Appendix #1  
Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Role</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	Monitor	3.1	900.00	2,790.00
Beaton, Douglas	Partner	SISP	2.0	900.00	1,800.00
Williams, Richard	Director	Monitor	8.9	750.00	6,675.00
Zhao, Kevin	Senior Manager	SISP	5.5	600.00	3,300.00
Lin, Mu-Shan Martin	Manager	Monitor	34.8	500.00	17,400.00
Hislop, Keelyn	Manager	SISP	7.7	500.00	3,850.00
Conorton, Laura	Consultant	Monitor	2.1	200.00	420.00
Pandit, Arpana	Senior	Monitor	32.0	375.00	12,000.00
Findlay, Julia	Analyst	SISP	10.5	275.00	2,887.50
Ang, Woan Shiuan	Analyst	SISP	19.5	275.00	5,362.50
<b>Total Professional Hours and Fees</b>			<b>126.1</b>		<b>56,485.00</b>
Out-of-pocket Expenses					-
<b>Total Fees and Expenses</b>					<b>56,485.00</b>
<b>Discount</b>				<b>15%</b>	<b>(8,500.00)</b>
<b>Adjusted Total Fees and Expenses</b>					<b>47,985.00</b>



**Appendix #2**

**Work performed to February 24, 2024**

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/12/2024	Conorton, Laura	Perform website updates. Review creditor listing.	0.5
2/12/2024	Williams, Richard	Creditor correspondence, email M. Ghosh, J. Gauci. T/c with insurance broker. Email J. Sleeth, R. Jaipargas re. lease disclaimers.	1.6
2/12/2024	Lin, Mu-Shan Martin	Prepare and email J. Gauci re. rent calculation. Call with J. Gauci and A. Pandit.	1.7
2/12/2024	Zhao, Kevin	Outreach to buyer, call potential buyers. Prepare for call.	1.5
2/12/2024	Hislop, Keelyn	Prepare meeting with buyer.	0.5
2/12/2024	Ang, Woan Shiuan	Coordinate with buyers.	3.0
2/12/2024	Pandit, Arpana	Prepare variance analysis for week ended Feb 9, 2024, update the receipt tracker, and discuss transaction classification with Management.	7.0
2/12/2024	Findlay, Julia	Update buyer tracker and attend internal team catch-up.	1.0
2/13/2024	Williams, Richard	Email G. Phoenix, R. Jaipargas re. Landen lease. Email K. Zhao, J. Sleeth re. sale process. T/c M. Lin, review CF update. Email M. Ghosh, J. Gauci re. cash flow, CRA audit.	0.8
2/13/2024	Conorton, Laura	Format creditor listing and import to Ascend, prepare Affidavit of mailing.	1.6
2/13/2024	Lin, Mu-Shan Martin	Prepare and review variance analysis and rolling CFF. Discuss with A. Pandit re. same. Discuss with A. Pandit re. comments from R. Williams. Update the workbook based on the comments.	5.2
2/13/2024	Hislop, Keelyn	Attend introductory call with buyer. Provide status updates on prospective buyers.	1.5
2/13/2024	Ang, Woan Shiuan	Attend buyer meeting, coordinate with buyers, and prepare for buyer meeting.	3.5
2/13/2024	Pandit, Arpana	Discuss with M. Lin on variance analysis for week ended Feb 9, 2024 and update the workbook based on the comments. Update the rolling cash flow based on comments from R. Williams.	4.0
2/13/2024	Beaton, Douglas	Call with buyer re. initial questions. Prepare and follow-up on the meeting.	1.0
2/13/2024	Sleeth, Jordan	Call with counsel to Warner Bros., debrief with R. Jaipargas.	0.6



<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/13/2024	Findlay, Julia	Update buyer tracker, attend internal team catch-up, and attend meeting with buyer.	2.5
2/14/2024	Zhao, Kevin	Outreach to buyer, update Monitor on status.	0.5
2/14/2024	Williams, Richard	Review buyers update. Review draft email to insurer. T/c K. Smith re. M&A process.	0.8
2/14/2024	Lin, Mu-Shan Martin	Email HUB international regarding CCAA. Update rent calculation and email to J. Gauci.	2.5
2/14/2024	Ang, Woan Shiuan	Coordinate with buyers.	2.0
2/14/2024	Pandit, Arpana	Discuss with M. Lin on EDC analysis and attend call with Management re. upcoming receipts.	1.0
2/14/2024	Sleeth, Jordan	Attend update discussion with R. Williams; review cash flow variance report.	0.5
2/14/2024	Findlay, Julia	Reply to buyer emails and update tracker.	0.5
2/15/2024	Williams, Richard	Review cash flows and BBC issue. Draft update to N. Hamadi. Email K. Zhao re SISP.	0.6
2/15/2024	Hislop, Keelyn	Attend call with SimEx and buyer. Prepare NDA markups.	2.1
2/15/2024	Zhao, Kevin	Call potential buyer and Management, outreach to buyer, and review NDA.	1.5
2/15/2024	Ang, Woan Shiuan	Attend buyer meeting, coordinate with buyers, and prepare for buyer meeting.	2.5
2/15/2024	Pandit, Arpana	Prepare and assist the December 2023 EDC calculation.	2.0
2/15/2024	Lin, Mu-Shan Martin	Prepare and review analysis on EDC receivable. Call J. Gauci re. analysis. Update EDC receivable based on response from J. Gauci.	5.2
2/15/2024	Sleeth, Jordan	SISP - attend management call with buyer.	0.5
2/15/2024	Findlay, Julia	Attend meeting with buyer and SimEx, attend internal meeting, update buyer tracker, and perform email outreach.	2.0
2/16/2024	Findlay, Julia	Follow-up with buyers, including emails and calls.	2.0
2/16/2024	Williams, Richard	Email re US proceedings. Review variance analysis. Attend meeting with M. Lin, A. Pandit. Review HST return, amended variance. Email N. Hamadi.	1.1
2/16/2024	Pandit, Arpana	Consolidate transactions for week ending Feb 16. Attend call with Management and update the notes to the variance analysis for week ended Feb 9, 2024 based on comments from R. Williams.	4.5
2/16/2024	Ang, Woan Shiuan	Coordinate with buyers.	0.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/16/2024	Lin, Mu-Shan Martin	Prepare borrowing base calculation. Call with R. Williams and A. Pandit re. variance analysis. Call with J. Gauci re. receipt and BBC.	6.5
2/19/2024	Williams, Richard	Email M. Ghosh.	0.1
2/20/2024	Williams, Richard	Review draft BBC. T/c M. Ghosh re. SISP, cash flows, general update. Email J. Gauci re. ERC and GT invoice. Consider ERC potential. Receipt and review of final order in Chapter 15 - forward for website posting. Review SISP emails.	1.4
2/20/2024	Lin, Mu-Shan Martin	Review week ended Feb 16 variance analysis. Discuss with A. Pandit and J. Gauci re. same.	3.2
2/20/2024	Pandit, Arpana	Update the rolling cashflow with actuals for the week ended Feb 16, 2024. Update the receipt tracker as part of the variance analysis.	6.0
2/20/2024	Findlay, Julia	Call with buyer and prepare buyers update.	1.0
2/20/2024	Ang, Woan Shiuan	Coordinate with buyers and attend buyer meetings.	4.0
2/20/2024	Beaton, Douglas	Call with buyer. Prepare and follow-up on the meeting.	0.3
2/21/2024	Williams, Richard	Attend meeting with M. Lin re BBC. Email M. Frueh re. producer call.	0.5
2/21/2024	Lin, Mu-Shan Martin	Review rolling CF. Discuss with A. Pandit re. same. Discuss with R. Williams re. Dec BBC.	3.2
2/21/2024	Pandit, Arpana	Prepare variance analysis for week ended Feb 16, 2024. Update the rolling cashflow based on comments from M. Lin.	6.0
2/21/2024	Zhao, Kevin	Negotiate NDA.	0.5
2/21/2024	Hislop, Keelyn	Perform outreach follow ups and draft NDA questions.	1.3
2/21/2024	Sleeth, Jordan	Call with K. Zhao re: SISP results.	0.5
2/21/2024	Ang, Woan Shiuan	Coordinate with buyers.	1.5
2/22/2024	Williams, Richard	Email Alectra, J. Gauci re. utility accounts. Email re. US order. Review SISP update.	0.5
2/22/2024	Lin, Mu-Shan Martin	Prepare and update Dec 2023 borrowing base calculation, including formulas for the workbook.	2.6
2/22/2024	Pandit, Arpana	Download and classify transactions for week ending Feb 23, 2024 variance analysis.	1.5
2/22/2024	Ang, Woan Shiuan	Coordinate with buyers.	1.0
2/23/2024	Zhao, Kevin	Call with potential buyers and respond to data requests.	1.5
2/23/2024	Hislop, Keelyn	Attend call with buyer, follow-up re. the call.	2.3

Date	Name	Narrative	Hours
2/23/2024	Williams, Richard	Review creditor correspondence and draft response. Email M. Lin. Attend SISP call with buyer and follow-up emails. Review BBC, VA and email M. Lin.	1.5
2/23/2024	Lin, Mu-Shan Martin	Prepare and update Dec 2023 borrowing base calculation, including inventory and AR ledgers. Respond to creditor. Address comment on variance analysis for week ended Feb 16.	4.7
2/23/2024	Sleeth, Jordan	Review SISP results, scan updated form of APA, update from R. Williams re: buyer call.	0.5
2/23/2024	Sleeth, Jordan	Call with creditor, Milan and Mike. Debrief with G. Phoenix.	0.5
2/23/2024	Findlay, Julia	Attend meeting with buyer, attend internal meeting, and update dataroom with customer information.	1.5
2/23/2024	Ang, Woan Shiuan	Attend buyer meeting, coordinate with buyers, and prepare for buyer meeting.	1.5
2/23/2024	Beaton, Douglas	Call with buyer. Prepare and follow-up on the meeting.	0.7
<b>Total</b>			<b>126.1</b>



**Invoice 8004617108**

**Deloitte Restructuring Inc.**  
Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Milan Ghosh  
SimEx Inc.  
210 King Street East, Suite 600  
Toronto ON M5A 1J7  
Canada

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

Date: March 29, 2024  
Client No.: 1693556  
WBS#: SIM00992  
Engagement Partner: Jordan Sleeth

GST/HST Registration: 122893605RT0001  
QST Registration: 1000870419TQ0002

**For professional services rendered**

**Fees**

For work performed in connection with the CCAA Proceedings of SimEx Inc., Iwerks Entertainment, Inc. and Simex-Iwerks Myrtle Beach, LLC for the period to March 15, 2024.

Please see attached appendices for details.

HST applicable 67,185.00

**Expense**

Out-of-pocket Expenses.

HST applicable 144.66  
Administrative Expense 2,015.55

**Sales Tax**

HST at 13.00 % 9,014.88

**Total Amount Due (CAD) 78,360.09**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8004617108

March 29, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
SimEx Inc.	1693556	8004617108	78,360.09	Payment for invoice 8004617108

**Contact:**

Please send payment confirmation by email to: [receivablesdebitors@deloitte.ca](mailto:receivablesdebitors@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP

c/o T04567C

PO Box 4567, Stn A

Toronto ON M5W 0J1

**For USD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP

c/o T04567U

PO Box 4567, Stn A

Toronto ON M5W 0J1



**Appendix #1  
Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Role</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	Monitor	3.7	900.00	3,330.00
Beaton, Douglas	Partner	SISP	2.0	900.00	1,800.00
Williams, Richard	Director	Monitor	11.0	750.00	8,250.00
Zhao, Kevin	Senior Manager	SISP	14.0	600.00	8,400.00
Brown, Rose	Manager	Monitor	0.5	500.00	250.00
Lin, Mu-Shan Martin	Manager	Monitor	32.2	500.00	16,100.00
Hislop, Keelyn	Manager	SISP	14.4	500.00	7,200.00
Conorton, Laura	Consultant	Monitor	0.1	200.00	20.00
Pandit, Arpana	Senior	Monitor	48.6	375.00	18,225.00
Findlay, Julia	Analyst	SISP	24.8	275.00	6,820.00
Hong, Matthew	Senior	Monitor	3.2	375.00	1,200.00
Ang, Woan Shiu	Analyst	SISP	27.6	275.00	7,590.00
<b>Total Professional Hours and Fees</b>			<b>182.1</b>		<b>79,185.00</b>
Out-of-pocket Expenses					144.66
<b>Total Fees and Expenses</b>					<b>79,329.66</b>
<b>Discount</b>				<b>15%</b>	<b>(12,000.00)</b>
<b>Adjusted Total Fees and Expenses</b>					<b>67,329.66</b>

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## Appendix #2

### Work performed to March 15, 2024

Date	Name	Narrative	Hours
2/25/2024	Sleeth, Jordan	Review cash flow and variance analysis; draft invoice letter to M. Ghosh	0.7
2/26/2024	Williams, Richard	Emails M. Frueh, M. Ghosh. Review questions from J. Findlay and suggest responses.	0.5
2/26/2024	Zhao, Kevin	Respond to questions from interested parties	1.0
2/26/2024	Findlay, Julia	Responding to Buyer questions from Dynamic and Brogent and updating the buyers tracker.	2.0
2/26/2024	Hislop, Keelyn	Dynamic questions	1.1
2/26/2024	Pandit, Arpana	Preparing VA analysis for week ended Feb 23, 2024 and drafting queries for the management	6.2
2/26/2024	Ang, Woan Shiuan	addressing buyers questions, coordinating information requests, internal meetings	2.0
2/26/2024	Sleeth, Jordan	SISP - review response to prospective buyer, provide comments.	0.5
2/27/2024	Williams, Richard	T/c Triotech, CF team.	0.5
2/27/2024	Lin, Mu-Shan Martin	Prepare debt structure. Email SimEx re. debt structure.	2.1
2/27/2024	Zhao, Kevin	Call with interested party	1.0
2/27/2024	Findlay, Julia	Complete Brogent Questions. Meeting with TrioTech. Meeting with Milan and Mike for questions. Completing questions for Triotech	2.8
2/27/2024	Hislop, Keelyn	Triotech/ Deloitte Call + prepManagement/ Deloitte Call + prep	2.3
2/27/2024	Ang, Woan Shiuan	addressing buyers questions, coordinating information requests, internal meetings, external meetings with buyers and management	4.3
2/28/2024	Williams, Richard	Review draft Triotech email, review debt structure. Emails M. Lin re pro fees, variance. Emails M. Desgrossiers, J. Gauci re FedEx. Review SISP update and email J. Sleeth.	0.8
2/28/2024	Lin, Mu-Shan Martin	Review week ended Feb 23 variance analysis, review receipt tracker, and review rolling CFF. Review and prepare rolling CFF variance. Call with A. Pandit re. same. Review Feb 28 ending invoice.	5.3
2/28/2024	Zhao, Kevin	Respond to data requests, provide status update for Monitor and lenders	1.0

Date	Name	Narrative	Hours
2/28/2024	Findlay, Julia	Consolidation of all meeting notes and emails to buyers	1.0
2/28/2024	Hislop, Keelyn	Review of diligence responses	0.8
2/28/2024	Beaton, Douglas	Review and comment on Q&A responses to buyers	0.5
2/28/2024	Pandit, Arpana	Updating the rolling CF and VA analysis for the week ended Feb 23,2024, based on responses from management	5.3
2/28/2024	Ang, Woan Shiuan	addressing buyers questions, buyers dashboard update and summary, internal meetings, consolidating notes and responses to buyers	1.5
2/29/2024	Lin, Mu-Shan Martin	Review invoice ending Feb 24. Email J. Gauci re. inventory in Dec borrowing base. Email N. Hamadi re. Dec BBC.	1.2
2/29/2024	Williams, Richard	Emails N. Hamadi re pro fees. Various emails with US counsel re pro fees, creditor correspondence. Emails N. Hamadi, M. Lin re BBC. Emails BLG, CF team re SISP, data room and timelines.	0.9
2/29/2024	Hislop, Keelyn	Review of buyer outreach and follow ups	0.3
2/29/2024	Pandit, Arpana	Call with management to discuss the receipts and expenses for upcoming weeks	0.5
2/29/2024	Sleeth, Jordan	SISP - memo to M&A team re: SISP timing	0.3
3/1/2024	Williams, Richard	Review CF roll-forward and assess potential variances.	0.5
3/1/2024	Lin, Mu-Shan Martin	Email Mark and Jason re. Reliable invoice. Draft email to N. Hamadi re. Dec borrowing base calculation.	1.2
3/1/2024	Zhao, Kevin	Discussion with Monitor on progress and next steps, APA, buyer questions	0.5
3/1/2024	Beaton, Douglas	Discussions on buyers, process, and legal items	0.5
3/1/2024	Pandit, Arpana	Classifying bank transaction for Variance analysis for week ended Mar 01, 2024	2.2
3/1/2024	Brown, Rose	Update Ascend with Creditor Address, Prepare mailing to creditor with return mail and take to the mail room.	0.4
3/1/2024	Sleeth, Jordan	SISP - call with K. Zhao and D. Brearton re: SISP timing and APA posting, liaise with Loopstra re: same.	0.4
3/4/2024	Williams, Richard	Review emails N. Hamadi, M. Lin re BBC.	0.1
3/4/2024	Ang, Woan Shiuan	buyer follow ups + internal meeting	0.5
3/4/2024	Lin, Mu-Shan Martin	Call with J. Gauci and A. Pandit re. variance analysis, BBC, and EDC coverage. Email J. Gauci re. reliable invoice. Prepare ERV analysis.	2.3



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Date	Name	Narrative	Hours
3/4/2024	Pandit, Arpana	Preparing Variance analysis for week ended Mar 01, 2024. Call with management to discuss the variances	6.5
3/4/2024	Zhao, Kevin	Review and upload documents to dataroom (APA), communication with interested parties, etc.	1.0
3/4/2024	Beaton, Douglas	Discussions on buyers, process and diligence	0.5
3/4/2024	Findlay, Julia	Internal Meetings responses to buyers and follow ups	2.5
3/5/2024	Lin, Mu-Shan Martin	Review and leave comments on the receipt tracker, variance analysis for week ended Mar 1, and rolling CFF. Discuss with A. Pandit on the comments and changes. Assist on update email draft to R. Williams. Discuss with A. Pandit re. Jan BBC.	5.2
3/5/2024	Pandit, Arpana	Updating the rolling cashflow for week ended March 01, 2024. Addressing comments from Lin M on the VA for week ended Mar 01, 2024.	6.2
3/6/2024	Williams, Richard	T/c T. Moss. Emails M. Ghosh. Emails J. Sleeth, R. Jaipargas. Emails re payment of pro fees. Emails J. Gauci.	0.8
3/6/2024	Lin, Mu-Shan Martin	Prepare Jan borrowing base calculation, including check term receivables with EDC coverage, calculate prior ranking claims, adjust formulas in the summary consolidation. Discuss the borrowing base calculation with A. Pandit.	4.2
3/6/2024	Pandit, Arpana	Assisting in preparing EDC calculation for Jan 2024	4.9
3/6/2024	Sleeth, Jordan	Call with BBC; debrief with G. Phoenix of Loopostra Nixon LLP.	0.5
3/6/2024	Findlay, Julia	Internal Meetings	1.0
3/7/2024	Zhao, Kevin	Update Monitor/lender, respond to interested parties, etc.	1.0
3/7/2024	Williams, Richard	Emails M. Lin, M. Ghosh. Review SISP update. Review variance analysis and email A. Pandit. T/c with RBC. Emails K. Zhao. Review BBC and email M Lin. Forward legal invoices to J. Gauci.	1.3
3/7/2024	Lin, Mu-Shan Martin	Prepare Jan borrowing base calculation. Address comments from R. Williams re. Jan BBC and EDC coverage. Update BBC. Review variance analysis of rolling CFF and pre-filing CFF.	4.2
3/7/2024	Pandit, Arpana	Call with management on the receipt tracker. Preparing notes on the variance analysis between pre filing and weekend Mar 01, 2024.	2.8
3/7/2024	Sleeth, Jordan	Prepare for and attend SISP update call with N. Hadmani of RBC; consider investor inclusion in SISP.	0.8
3/7/2024	Ang, Woan Shiuan	buyers summary + internal meeting	1.3
3/7/2024	Hislop, Keelyn	Buyer tracker update and follow ups	0.9

# Deloitte.

Date	Name	Narrative	Hours
3/7/2024	Findlay, Julia	Internal meetings. Buyer reachouts/follow-ups.	2.0
3/8/2024	Pandit, Arpana	Addressing comments from M. Lin on the notes on rolling cashflow for week ended Mar 01, 2024. Classifying bank entries for Mar 04- Mar 07 and emailing queries to management on the classification	2.5
3/8/2024	Lin, Mu-Shan Martin	Draft email to M. Ghosh and J. Gauci re. January borrowing base calculation and EDC coverage. Review and leave comments on variance analysis for rolling CFF.	2.1
3/8/2024	Sleeth, Jordan	Call with Counsel re: US recognition of a sale transaction.	0.5
3/8/2024	Williams, Richard	Review BBC and exclusion of EDC AR due to aging. Emails M. Lin re EDC reporting. Review emails re Westbridge interest in SISP. T/c J. Sleeth, R. Jaipargas, T. Moss re US orders. Draft extension recommendation to N. Hamadi. Review VA and emails A. Pandit.	1.6
3/8/2024	Zhao, Kevin	Buyer outreach and status check-ins	0.5
3/8/2024	Ang, Woan Shiuan	buyers summary + coordinating with buyers	1.0
3/8/2024	Hislop, Keelyn	Brogent questions and clarifications	1.1
3/10/2024	Williams, Richard	Review emails re Brogent.	0.1
3/11/2024	Conorton, Laura	Adding creditor to Ascend	0.1
3/11/2024	Williams, Richard	Emails K. Zhao re Brogent. T/c M. Ghosh. Creditor correspondence.	0.4
3/11/2024	Hislop, Keelyn	Prep for Triotech and Brogent calls	0.8
3/11/2024	Zhao, Kevin	Follow-ups with interested parties, respond to questions	1.0
3/11/2024	Ang, Woan Shiuan	coordinating with buyers, preparing responses for buyers	6.0
3/11/2024	Pandit, Arpana	Preparing variance analysis for week ending Mar 08 and call with management to discuss these variances	7.2
3/12/2024	Williams, Richard	Emails K. Zhao re Brogent call. Email from N. Hamadi approving SISP extension. T/c and email M. Ghosh. Email M. Frueh. T/c with M. Gosh. Update call with M&A group. Call with Triotech. Call with Brogent.	2.7
3/12/2024	Hislop, Keelyn	Triotech call; Brogent call; Call with Milan re: questions	3.3
3/12/2024	Zhao, Kevin	meetings with interested parties, Monitor update, responding to questions	2.0
3/12/2024	Findlay, Julia	Coordinating with Buyers. Call with Buyers. Internal Preparation for calls.	6.5
3/12/2024	Ang, Woan Shiuan	coordinating with buyers, preparing responses, internal team meetings, buyer bios, call with buyers, meeting agenda prep	6.5

# Deloitte.

Date	Name	Narrative	Hours
3/12/2024	Pandit, Arpana	Preparing rolling cashflow for week ending Mar 08, 2024	3.8
3/13/2024	Williams, Richard	Emails K. Zhao, J. Sleeth re Brogent and DOF passing. Review J. Gauci and M. Ghosh emails re financial reporting.	0.5
3/13/2024	Lin, Mu-Shan Martin	Review and leave comments for variance analysis and rolling CFF.	1.2
3/13/2024	Zhao, Kevin	feedback summary for interested parties, responding to questions	0.5
3/13/2024	Brown, Rose	Scan return mail and send to the team.	0.1
3/13/2024	Findlay, Julia	Buyers feedback. Westbridge Bios. Team meeting	2.0
3/13/2024	Ang, Woan Shiuan	internal team meeting, preparing buyer feedback & dashboard, buyer bios	1.5
3/13/2024	Hislop, Keelyn	Review of information received from Milan in relation to buyer questions	0.8
3/14/2024	Zhao, Kevin	meetings with interested parties, solicit feedback, respond to questions, review and update dataroom with new documents	3.5
3/14/2024	Lin, Mu-Shan Martin	Review and leave comments for variance analysis and rolling CFF. Discuss with A. Pandit on the comments and expected receipts for the remaining weeks. Call with J. Gauci re. borrowing base calculation.	3.2
3/14/2024	Findlay, Julia	Westbridge; ACV's information gathering; Call with Milan; Responding to buyers	4.0
3/14/2024	Ang, Woan Shiuan	buyer meetings, meetings with management, preparing buyer responses	3.0
3/14/2024	Hislop, Keelyn	Call with Milan regarding questions from buyers, drafting and reviewing responses to potential buyer questions	2.5
3/14/2024	Pandit, Arpana	Call with management for receipt tracker	0.5
3/14/2024	Beaton, Douglas	Discuss buyers and DD	0.5
3/15/2024	Zhao, Kevin	update monitor, respond to questions from interested parties, discuss feedback	1.0
3/15/2024	Williams, Richard	Emails J. Sleeth, K. Zhao re Brogent. Emails re BBC, leased premises.	0.3
3/15/2024	Hong, Matthew	Updated Variance Analysis workbook with March 15, 2024, bank transactions and documented unclassified transactions based on Jason's email response. Call with A. Pandit to go over review comments from M. Lin.	3.2
3/15/2024	Findlay, Julia	Responding to Buyer questions from Dynamic and Brogent and updating the buyers tracker.	1.0

# Deloitte.

Date	Name	Narrative	Hours
3/15/2024	Hislop, Keelyn	Triotech questions - review of responses	0.5
<b>Total</b>			<b>182.1</b>



**Invoice 8004640731**

**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Milan Ghosh  
SimEx Inc.  
210 King Street East, Suite 600  
Toronto ON M5A 1J7  
Canada

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

Date: April 05, 2024  
Client No.: 1693556  
WBS#: SIM00992  
Engagement Partner: Jordan Sleeth

GST/HST Registration: 122893605RT0001  
QST Registration: 1012314163TQ0001

**For professional services rendered**

**Fees**

For work performed in connection with the CCAA Proceedings of SimEx Inc., Iwerks Entertainment, Inc. and Simex-Iwerks Myrtle Beach, LLC for the period to March 31, 2024.

Please see attached appendices for details.

**Sales Tax**

HST applicable	50,520.00
Administrative Expense	1,515.60
HST at 13.00 %	<u>6,764.63</u>
<b>Total Amount Due (CAD)</b>	<b><u>58,800.23</u></b>

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8004640731

April 05, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
SimEx Inc.	1693556	8004640731	58,800.23	Payment for invoice 8004640731

**Contact:**

Please send payment confirmation by email to: [receivablesdebitors@deloitte.ca](mailto:receivablesdebitors@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments (remittance email mandatory) :

#### \*Preferred Method\*

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Transit – Institution :** 47696-002

**Account Number :** 1590219

#### USD Payment

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

#### USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

#### USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

### 4. Cheque payments, please mail to :

#### For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567C

PO Box 4567, Stn A

Toronto ON M5W 0J1

#### For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567U

PO Box 4567, Stn A

Toronto ON M5W 0J1



**Appendix #1  
Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Role</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	Monitor	13.3	900.00	11,970.00
Williams, Richard	Director	Monitor	12.1	750.00	9,075.00
Zhao, Kevin	Senior Manager	SISP	9.5	600.00	5,700.00
Lin, Mu-Shan Martin	Manager	Monitor	22.0	500.00	11,000.00
Hislop, Keelyn	Manager	SISP	3.3	500.00	1,650.00
Pandit, Arpana	Senior	Monitor	8.8	375.00	3,300.00
Findlay, Julia	Analyst	SISP	6.5	275.00	1,787.50
Hong, Matthew	Senior	Monitor	37.9	375.00	14,212.50
Ang, Woan Shiuan	Analyst	SISP	3.0	275.00	825.00
<b>Total Professional Hours and Fees</b>			<b>116.4</b>		<b>59,520.00</b>
Out-of-pocket Expenses					-
<b>Total Fees and Expenses</b>					<b>59,520.00</b>
<b>Discount</b>				<b>15%</b>	<b>(9,000.00)</b>
<b>Adjusted Total Fees and Expenses</b>					<b>50,520.00</b>



**Appendix #2**

**Work performed to March 31, 2024**

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
3/17/2024	Hong, Matthew	Call with Senior Associate to review current work on Variance Analysis - Drafting up additional Note Disclosures - Updating Receipt Tracker with necessary information	2.7
3/18/2024	Zhao, Kevin	Respond to buyer questions, calls etc.	1.0
3/18/2024	Hong, Matthew	Call with Jason to review Variance and Note Disclosures - Complete Variance Analysis deliverable based on Friday Transactions and review prior week workbooks to understand process	3.0
3/18/2024	Pandit, Arpana	Call with management to discuss the variance for the week ended Mar 15	0.5
3/18/2024	Hislop, Keelyn	Email responses to potential buyers	0.5
3/18/2024	Findlay, Julia	Buyer Follow-ups prior to deadline	1.0
3/19/2024	Williams, Richard	Review SISP update. Emails M. Lin re pro fees.	0.3
3/19/2024	Lin, Mu-Shan Martin	Review weekly variance analysis. Attend weekly call with SimEx. Call M. Hong to discuss comments in variance analysis.	3.2
3/19/2024	Hong, Matthew	Work on Variance Analysis and document notes related to calculations	3.9
3/20/2024	Lin, Mu-Shan Martin	Review March 15 weekly analysis. Call M. Hong re comments.	2.5
3/20/2024	Williams, Richard	Review Triotech LOI. Prepare bid evaluation template. Emails M. Ghosh.	0.8
3/20/2024	Hislop, Keelyn	Review of offer from Triotech	0.3
3/20/2024	Zhao, Kevin	Respond to buyer questions, follow-up ahead of deadline	1.0
3/20/2024	Hong, Matthew	Addressing Manager comments on Variance Request and detailed review of deliverable	3.6
3/20/2024	Pandit, Arpana	Reviewing the variance analysis post comments for the week ended Mar 15 prepared by M. Hong	2.1
3/20/2024	Findlay, Julia	LOI emails from Triotech and internal emails and conversations around the LOI	1.0
3/20/2024	Sleeth, Jordan	SISP - review LOI from Triotech, consider questions for Triotech and ability to close	0.5
3/21/2024	Zhao, Kevin	review offer, follow-up with interested parties, respond to questions	1.5



# Deloitte.

Date	Name	Narrative	Hours
3/21/2024	Hong, Matthew	Work on Rolling Cash Flow for Week of March 15 - Call with Jason to discuss March 22 Rolling Cash Flow Items - Call with Manager to go over structure of workbook - Call with Senior to review work and address variance in calculations for the week	3.7
3/21/2024	Williams, Richard	Prepare bid evaluation summary and model allocation of proceeds. Emails N. Hamadi, T. Moss, R. Jaipargas. T/c K. Zhao, J. Findlay re SISP results. Meeting with N. Hamadi and J. Sleeth. Draft email update to N. Hamadi. Review variance analysis.	1.5
3/21/2024	Pandit, Arpana	Discussion with M Lin on the VA for week ended Mar 15, Call with M. Hong to discuss the notes on VA for week ended Mar 15 and preparing and discussing the Mar 15 rolling cashflow	3.6
3/21/2024	Lin, Mu-Shan Martin	Review variance analysis. Discuss internally re. the comments.	2.3
3/21/2024	Sleeth, Jordan	SISP - call with N. Hamadi re: SISP results and next steps.	0.3
3/22/2024	Lin, Mu-Shan Martin	Review rolling CFF. Discuss with A. Pandit re. the rolling CFF.	1.5
3/22/2024	Williams, Richard	T/c J. Sleeth re implications of SISP outcome. Email N. Hamadi. T/c J. Sleeth, R. Jaipargas. T/c CF team. Meeting with RBC. T/c M. Ghosh. T/c R. Jaipargas.	2.6
3/22/2024	Ang, Woan Shiuan	meeting, buyer follow up	0.5
3/22/2024	Pandit, Arpana	Discussion with M Hong on the VA for week ending Mar 22 and discussion with M Lin on rolling for week ended Mar 15. Pulling out the bank balance	2.6
3/22/2024	Hong, Matthew	Variance analysis for March 22 and discussion over follow up items with Jason- Call with Arpana to go over rolling cash flow and variance analysis key items for the week	3.3
3/22/2024	Sleeth, Jordan	SISP - review Triotech offer and consider same; various calls with counsel to SimEx, Management, R. Jaipargas re: options; SISP update call with RBC; review and revise SISP update memo for RBC; email and calls with R. Williams re: same.	3.5
3/24/2024	Williams, Richard	Emails re equipment appraisal.	0.2
3/24/2024	Hong, Matthew	Update Variance Analysis with March 22 activity - Consolidating Email Request for call with Jason - Reviewing Variance Analysis and updating note disclosures	3.0
3/25/2024	Williams, Richard	T/c with management, G. Nixon to discuss potential offer. Emails M. Ghosh. Call w/ Triotech. T/c and emails M. Lin, J. Gauci.	1.6

# Deloitte.

Date	Name	Narrative	Hours
3/25/2024	Hong, Matthew	Call with Jason to discuss unclassified transactions - Call with Martin to discuss unclassified transactions and prior period activity. - Updating Variance Analysis and Note Disclosures with Jason's breakdown of figures	4.1
3/25/2024	Lin, Mu-Shan Martin	Attend call with potential buyer. Prepare and send AR listing and contractual amounts schedule.	3.2
3/25/2024	Findlay, Julia	Internal calls regarding LOI and next steps. Call with Triotech for clarifications on LOI. Review of email correspondence.	2.0
3/25/2024	Hislop, Keelyn	Prep and LOI Submission call with Triotech, follow up qs for management	1.5
3/25/2024	Zhao, Kevin	Call with buyers, discussion on pre-closing conditions, review documents and responses to questions	2.0
3/25/2024	Ang, Woan Shiuan	Coordinating with buyers	1.0
3/25/2024	Sleeth, Jordan	Call with M. Ghosh re: SISP result, management acquisition option; call with B. Clouatre.	1.5
3/25/2024	Sleeth, Jordan	SISP - call with J. Findlay and K. Zhao re: Triotech offer; call with Triotech re: offer and A/R purchase.	0.8
3/26/2024	Hong, Matthew	Discussion with Martin over Variance Analysis Comments - Updating Variance Analysis review comments - Rolling Cash Flow as of March 22	4.0
3/26/2024	Williams, Richard	Email K. Zhao, N. Hamadi, M. Ghosh. Review draft employee memo and provide comments.	0.6
3/26/2024	Lin, Mu-Shan Martin	Review weekly variance analysis. Call M. Hong re. variance analysis.	2.1
3/26/2024	Zhao, Kevin	Discussion on pre-closing conditions, review documents and responses to questions	1.0
3/26/2024	Ang, Woan Shiuan	coordinating with buyers, internal meetings	1.5
3/26/2024	Sleeth, Jordan	Various - update memo to TGF (Warner Bros counsel) re: SISP; review draft memo to staff and provide comments.	0.3
3/27/2024	Hong, Matthew	Rolling Cash Flow discussion with Martin - Update Rolling Cash Flow for Week of March 22 - Address Martin's review comments	3.3
3/27/2024	Williams, Richard	Review variance analysis. Emails K. Zhao. Review draft script for employee correspondence. Emails with counsel to arrange call. Emails R. Moran. Correspondence with Rudner Law re P. Corvese summary judgment.	1.3
3/27/2024	Lin, Mu-Shan Martin	Review rolling CFF. Attend call with potential buyer. Discuss with M. Hong re. rolling CFF.	3.9
3/27/2024	Findlay, Julia	Call with Management. Call with Triotech. Internal calls. Email correspondence with Triotech and Management.	2.5

# Deloitte.

Date	Name	Narrative	Hours
3/27/2024	Hislop, Keelyn	Prep and call with Triotech	1.0
3/27/2024	Zhao, Kevin	Call with buyers, discussion on pre-closing conditions, review documents and responses to questions	2.0
3/27/2024	Sleeth, Jordan	Review correspondence from Dolden LLP re: employee claim.	0.2
3/27/2024	Sleeth, Jordan	SISP - call with Triotech re: LOI offer; review update from K. Zhao on ACV contracts; review and comment on management update to staff.	0.7
3/28/2024	Williams, Richard	Review R. Jaipargas email re Corvese. Call with R. Jaipargas, M. Desgrossiers, T. Moss, J. Sleeth re potential liquidation structure. Review of management offer. T/c A. Moskowitz re value of material at Drew Road.	2.2
3/28/2024	Lin, Mu-Shan Martin	Discuss with M. Hong re. rolling CFF.	1.2
3/28/2024	Hong, Matthew	- Call with Martin to discuss Rolling Cash Flow Comments and new information from Jason- Updating Rolling Cash Flow for March 29 based on discussion with Jason	3.3
3/28/2024	Zhao, Kevin	Discussion with Monitor, review questions and responses to buyer inquiries	1.0
3/28/2024	Sleeth, Jordan	SISP related - review management offer, call with G. Phoenix re: same; circulate to RBC; call with BLG and US Counsel re: liquidation options and process; call with RBC re: SISP update, liquidation options; update call with K. Zhao re: SISP termination.	5.5
3/29/2024	Lin, Mu-Shan Martin	Review and update rolling CFF for week ended Mar 22.	2.1
3/31/2024	Williams, Richard	Draft email update to RBC, review emails R. Jaipargas. Review rolling cash flow update.	1.0
<b>Total</b>			<b>116.4</b>



**Invoice 8004689896**

**Deloitte Restructuring Inc.**  
Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Milan Ghosh  
SimEx Inc.  
210 King Street East, Suite 600  
Toronto ON M5A 1J7  
Canada

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

Date: April 22, 2024  
Client No.: 1693556  
WBS#: SIM00992  
Engagement Partner: Jordan Sleeth

GST/HST Registration: 122893605RT0001  
QST Registration: 1012314163TQ0001

**For professional services rendered**

**Fees**

For professional services rendered in connection with the CCAA Proceedings of SimEx Inc., Iwerks Entertainment, Inc. and Simex-Iwerks Myrtle Beach, LLC for the period to April 19, 2024.

Please see attached appendices for details.

**Sales Tax**

HST applicable	58,760.00
Administrative Expense	1,762.80
HST at 13.00 %	<u>7,867.96</u>
<b>Total Amount Due (CAD)</b>	<b><u>68,390.76</u></b>

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8004689896

April 22, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
SimEx Inc.	1693556	8004689896	68,390.76	Payment for invoice 8004689896

**Contact:**

Please send payment confirmation by email to: [receivablesdebiturs@deloitte.ca](mailto:receivablesdebiturs@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

#### \*Preferred Method\*

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Transit – Institution :** 47696-002  
**Account Number :** 1590219

#### USD Payment

**Transit – Institution :** 47696-002  
**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

#### CAD Payment

**Account Number :** 476961590219  
**Swift Code :** NOSCCATT

#### USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

**Account Number :** 476961363514  
**Swift Code :** NOSCCATT  
**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

#### USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038  
**Account Number :** 476961363514  
**Swift Code :** BOFAUS3N  
**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

### 4. Cheque payments, please mail to :

#### For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567C  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

#### For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567U  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

# Deloitte.

**Appendix #1  
Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Role</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	Monitor	19.8	900.00	17,820.00
Williams, Richard	Director	Monitor	27.2	750.00	20,400.00
Lin, Mu-Shan Martin	Manager	Monitor	26.4	500.00	13,200.00
Hong, Matthew	Senior	Monitor	47.2	375.00	17,700.00
Conorton, Laura	Consultant	Monitor	0.7	200.00	140.00
<b>Total Professional Hours and Fees</b>			<b>121.3</b>		<b>69,260.00</b>
Out-of-pocket Expenses					-
<b>Total Fees and Expenses</b>					<b>69,260.00</b>
<b>Discount</b>				<b>15%</b>	<b>(10,500.00)</b>
<b>Adjusted Total Fees and Expenses</b>					<b>58,760.00</b>



**Appendix #2**

**Work performed to April 19, 2024**

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
4/1/2024	Sleeth, Jordan	Call with R. Jaipargas re: liquidation options; call with K. Kraft of Dentons to confirm same; call with G. Phoenix (SimEx counsel re: same)	1.5
4/1/2024	Hong, Matthew	- Updating Variance Analysis for Week Ended March 29 - Drafting Unclassified Transactions for Jason G's Review	3.1
4/1/2024	Williams, Richard	Prepare liquidation analysis. T/c R. Jaipargas, J. Sleeth. Emails w/ counsel. Emails J. Gauci, etc... re pro fees and internal financials. Draft second report. Update call with K. Kraft, J. Sleeth, R. Jaipargas. Emails N. Hamadi. Send update report to RBC	3.6
4/2/2024	Williams, Richard	Drafting second report.	1.5
4/2/2024	Hong, Matthew	- Updating and review of Variance Analysis as of March 29 - Call with Jason to discuss follow up items - Call with Martin to discuss Variance Analysis	6.1
4/2/2024	Sleeth, Jordan	SISP call with Triotech, debrief with K. Zhao	0.5
4/3/2024	Williams, Richard	Emails N. Hamadi, minor revision to ERV. Review BLG invoice and forward to SimEx for payment. Drafting second report. Emails J. Sleeth, R. Jaipargas, G. Nixon re next steps. Emails N. Hamadi, K. Kraft re EDC claim. Call w/ BLG and Loopstra re termination.	2.3
4/3/2024	Lin, Mu-Shan Martin	Review and include comments variance analysis.	2.7
4/3/2024	Sleeth, Jordan	Call with R. Jaipargas, R. Williams and G. Phoenix re: SISP result and management proposal	0.8
4/4/2024	Williams, Richard	Receipt and review of revised management offer. Consider offer and discuss with J. Sleeth. Emails N. Hamadi et al re management offer.	1.0
4/4/2024	Lin, Mu-Shan Martin	Call M. Hong re. variance analysis. Review and update variance analysis. Call J. Gauci and M. Hong re. receipts. Prepare variance analysis for the Second Report of the Monitor.	5.2
4/4/2024	Hong, Matthew	- Update Rolling Cash Flow - Call with Manager to go over review comments- Address review comments from manager- Call with Jason to review rolling cash flow	4.3
4/4/2024	Sleeth, Jordan	Review draft update for RBC re: revised management proposal (and consider same); call with RBC, debrief with R. Williams; calls with G. Phoenix	1.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
4/5/2024	Williams, Richard	Review emails re Martina payment request. T/c J. Sleeth. T/c M. Ghosh re Martian payment, management offer. Compile schedule of professional fees, emails M. Ghosh.	1.1
4/6/2024	Sleeth, Jordan	Call with R. Nicholson, counsel to Warner Bros re: SISP result, SimEx go forward plan	0.3
4/6/2024	Hong, Matthew	Variance Analysis April 5 and identifying unclassified transactions	2.6
4/7/2024	Hong, Matthew	Unclassified Transactions and Variance Analysis Week Ended April 5	2.1
4/8/2024	Hong, Matthew	Send off unclassified transactions and consolidate request list	4.5
4/9/2024	Hong, Matthew	- Address Martin review comments for variance analysis and Rolling Cash Flow. - Call with Martin to go over Review comments and prepare deliverable for Richard's review	3.7
4/9/2024	Williams, Richard	Review emails G. Phoenix, J. Sleeth, R. Jaipargas re revised management offer. Emails K. Kraft, M. Ghosh, N. Hamadi re RBC questions on revised offer. Review VA and roll-forward cash flow and emails M. Lin.	1.1
4/9/2024	Lin, Mu-Shan Martin	Review variance analysis. Discuss with M. Hong on the comments.	2.9
4/9/2024	Sleeth, Jordan	Call with Warner Bros., debrief with management.	0.8
4/10/2024	Williams, Richard	Review rolled-forward cash flow forecast and email N. Hamadi. Planning meeting with J. Sleeth, M. Lin. T/c and email M. Ghosh. Further emails N. Hamadi.	0.9
4/10/2024	Hong, Matthew	- Review of RCF and follow up email to Jason regarding film plan receipts	0.1
4/10/2024	Lin, Mu-Shan Martin	Review and update rolling CFF. Discuss with M. Hong on the comments.	3.7
4/10/2024	Sleeth, Jordan	Call with G. Phoenix re: MBO and timing, alternate strategy if liquidation required (court timing, US proceedings, etc.)	0.5
4/11/2024	Hong, Matthew	- Call with Jason for Weekly Cash Receipts and update to Rolling Cash Flow as of April 12- Advise on request for DIP	0.5
4/11/2024	Williams, Richard	T/c and emails J. Sleeth. Review emails re scheduling court time. Draft memo to RBC on management offer. T/c G. Phoenix to clarify terms of offer. Review comments on memo. T/c and emails M. Hong, J. Gauci on DIP draw request.	2.6
4/11/2024	Sleeth, Jordan	Review MBO offer update memo to RBC, provide comments	1.0



<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
4/12/2024	Williams, Richard	Emails M. Frueh. Review of WB concerns and documents sent by SimEx. Emails J. Gauci re DIP draw.	0.7
4/12/2024	Hong, Matthew	- Update Variance Analysis and identify Unclassified Transactions	3.4
4/12/2024	Sleeth, Jordan	Call with management re: Warner Brothers response, MBO options.	0.5
4/15/2024	Williams, Richard	Emails M. Ghosh, J. Sleeth re Simpsons closure. Emails re revised management offer. Review forecast and emails M. Ghosh, M. Hong. Prepare sensitivity analysis. Review draft APA. T/c Loopstra, BLG. T/c M. Ghosh. T/c company and WB.	3.0
4/15/2024	Hong, Matthew	- Generate variance analysis comparing Weekly Disbursements from CCAA Period against May 24 - Dec 24 - Prepare Variance Analysis Deliverable as of April 12	7.8
4/15/2024	Sleeth, Jordan	Various - call with counsel to SimEx re: MBO; call with Warner Bros re: IP usage, MBO; consider MB closure questions	1.0
4/16/2024	Williams, Richard	Drafting court summary email. Finalize cash flow review and email N. Hamadi. Review updated CCAA cash flow and discussions M. Hong. T/c M. Ghosh. Emails K. Kraft, N. Hamadi, J. Sleeth, R. Jaipargas, T/c J. Sleeth, G. Phoenix. Email R. Nicolson.	2.0
4/16/2024	Williams, Richard	Call with BLG, Dentons re management offer. Review revisions to cash flow, emails and discussions M. Hong. T/c M. Ghosh. T/c and emails TGF. Review K. Kraft email to RBC.	2.2
4/16/2024	Lin, Mu-Shan Martin	Prepare variance analysis for the Second Report.	3.4
4/16/2024	Hong, Matthew	- Update Rolling Cash Flow based on discussion with Jason - Review rolling cash flow analysis as of April 16. Ensure future figures are up to date for RBC's review.	5.5
4/16/2024	Sleeth, Jordan	MBO issues - consider projected large cash balance, review MBO offer and impact of cash, consider proposals on retained cash, calls with company and Monitor counsel; call with TGF re: SISP status, WB payments.	3.0
4/17/2024	Williams, Richard	Review emails K. Kraft, N. Hamadi, G. Phoenix re management offer. Draft response to N. Hamadi. Review cash flow bridge. Review emails re WB exit and implications for management deal.	1.0
4/17/2024	Conorton, Laura	Preparation of information for estate	0.6
4/17/2024	Hong, Matthew	- Discussion with Martin on deliverable items and rolling AR Schedule- Review of AR Schedule and Rolling Cash Flow	3.4
4/17/2024	Lin, Mu-Shan Martin	Discuss with M. Hong re. AR workbook as at April 30, 2024. Review rolling CFF as at April 12, 2024.	2.7

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
4/17/2024	Sleeth, Jordan	Review revised MBO offer, consider impact of Warner Bros decision; call with RBC and debrief with R. Jaipargas; call with G. Phoenix re: MBO offer.	1.8
4/18/2024	Lin, Mu-Shan Martin	Review and update AR analysis as at April 30. Send email to R. Williams re. same. Update Second Monitor's Report to actual CFF in the CCAA period. Include forecast period to the Second Monitor's Report. Prepare information for bankruptcy filing.	4.7
4/18/2024	Conorton, Laura	Updating website	0.1
4/18/2024	Williams, Richard	Draft second report of the Monitor re MAC and MAC Notice. Emails R. Jaipargas, J. Sleeth, G. Phoenix. Revisions to drafts and finalize MAC report. Review of updated cash flow and emails M. Lin.	2.2
4/18/2024	Williams, Richard	Emails R. Brown, M. Lin re information necessary for bankruptcy filing. Email M. Ghosh re payroll issues. Review draft affidavit of M. Needham and provide comments.	1.0
4/18/2024	Sleeth, Jordan	Review MAC report and provide comments, call with R. Jaipargas re: same, approve for filing in court. Update memo to RBC.	3.1
4/19/2024	Lin, Mu-Shan Martin	Preparation of Statement of Affairs.	1.1
4/19/2024	Williams, Richard	Review TGF letter to Simex re termination of WB contract and emails J. Sleeth et al. Review J. Sleeth email attaching consolidated comments. Emails J. Sleeth, R. Jaipargas re timing of reports.	1.0
4/19/2024	Hong, Matthew	- Call with Jason to review remaining consultant disbursements	0.1
4/19/2024	Sleeth, Jordan	Various - review Needham affidavit and provide comments, call with G. Phoenix re: same, circulate revised affidavit; review WB/TGF letter and response and provide comments; email memo to R. Jaipargas re: WB approach.	3.5
<b>Total</b>			<b>121.3</b>

Attached is Exhibit "C" Referred to in the

AFFIDAVIT OF JORDREN SLEETH

Sworn before me

This 24<sup>th</sup> day of April, 2024



Commissioner for taking Affidavits, etc.

**Todd Jeffrey Ambachtsheer,**  
a Commissioner, etc., Province of Ontario,  
for Deloitte LLP and Deloitte Restructuring Inc.  
Expires September 9, 2024.

**EXHIBIT 'C'**

**DELOITTE RESTRUCTURING INC.  
MONITOR OF SIMEX INC., IWERKS ENTERTAINMENT, INC. AND SIMEX-IWERKS MYRTLE  
BEACH, LLC**

Summary of the personnel and hours of Deloitte Restructuring Inc. in its capacity as Monitor of the Debtors  
For the period January 11, 2024 to April 19, 2024

<b>Name</b>	<b>Level</b>	<b>Role</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	Monitor	64.2	\$ 900.00	\$ 57,780.00
Meakin, Nigel	Partner	Monitor	5.6	\$ 900.00	\$ 5,040.00
Williams, Richard	Director	Monitor	103.0	\$ 750.00	\$ 77,250.00
Lin, Mu-Shan Martin	Manager	Monitor	200.8	\$ 500.00	\$ 100,400.00
Brown, Rose	Manager	Monitor	1.9	\$ 500.00	\$ 950.00
Hong, Matthew	Senior	Monitor	88.3	\$ 375.00	\$ 33,112.50
Pandit, Arpana	Senior	Monitor	173.4	\$ 375.00	\$ 65,025.00
Conorton, Laura	Consultant	Monitor	12.3	\$ 200.00	\$ 2,460.00
Beaton, Douglas	Partner	SISP	15.0	\$ 900.00	\$ 13,500.00
Wilhelm, Klemens	Partner	SISP	4.0	\$ 900.00	\$ 3,600.00
Zhao, Kevin	Senior Manager	SISP	61.0	\$ 600.00	\$ 36,600.00
Hislop, Keelyn	Manager	SISP	92.0	\$ 500.00	\$ 46,000.00
Wong, Kenneth	Senior	SISP	1.0	\$ 375.00	\$ 375.00
Ang, Woan Shuan	Analyst	SISP	146.3	\$ 275.00	\$ 40,232.50
Findlay, Julia	Analyst	SISP	144.4	\$ 275.00	\$ 39,710.00
Rastogi, Aarav	Analyst	SISP	11.0	\$ 275.00	\$ 3,025.00
<b>Totals</b>			<b>1,124.2</b>		<b>\$ 525,060.00</b>
				Discounts	\$ (82,000.00)
				<b>Net Fees</b>	<b>\$ 443,060.00</b>
				Net Avg Rate	\$ 394.11

Attached is Exhibit "D" Referred to in the

AFFIDAVIT OF JORDREN SLEETH

Sworn before me

This 24<sup>th</sup> day of April, 2024

A handwritten signature in blue ink, appearing to be "T. Ambachtsheer", written over a horizontal line.

Commissioner for taking Affidavits, etc.

Todd Jeffrey Ambachtsheer,  
a Commissioner, etc., Province of Ontario,  
for Deloitte LLP and Deloitte Restructuring Inc.  
Expires September 9, 2024.

1201 Third Avenue, Suite 4900  
Seattle, Washington 98101  
Phone: 206.359.8000

Email: [clientacct@perkinscoie.com](mailto:clientacct@perkinscoie.com)  
Accounting: 206.359.3143  
Fax: 206.359.9000

**PERKINScoie**

Deloitte Restructuring Inc.  
Attn: Jordan Sleeth  
EMAIL INVOICES TO: [jsleeth@deloitte.ca](mailto:jsleeth@deloitte.ca)  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Ontario  
CANADA

Invoice No. 7008257  
Matter No. 154477.0001  
Bill Date April 5, 2024  
Due Date Due Upon Receipt

### INVOICE SUMMARY

**Re: 154477.0001 / Simex Chapter 15 Proceedings**

For Professional Services rendered through March 31, 2024

Services	\$174,172.00
Less (20.00)% Discount	(\$34,834.40)
Total Services	<hr/> \$139,337.60
<b>Total Invoice Amount</b>	<hr/> <b>\$139,337.60</b>

*INFORMATION MAY BE SUBJECT TO CLIENT ATTORNEY AND/OR ATTORNEY WORK PRODUCT PRIVILEGE*

### REMITTANCE INSTRUCTIONS

Payment Due in US Currency  
Tax Identification Number.: 91-0591206

Please identify your payment with the following: Perkins Coie Account No. 154477 and Invoice 7008257

<b><u>CHECKS:</u></b> Perkins Coie LLP Attn: Client Accounting PO Box 24643 Seattle, WA 98124-0643	<b><u>ACH / WIRE TRANSFERS IN USD:</u></b> Bank: US Bank 1420 Fifth Avenue Seattle, WA ABA # 125000105 Swift Code # US BK US 44I MT Account Name: Perkins Coie LLP Account Number: 1 535 5592 1235
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Client Privacy Policy. We collect or receive information in the ordinary course of providing legal services to you, including personal information. For more information about how we collect, use, and disclose personal information in connection with our legal representation of clients, please review our Client Privacy Policy, which can be accessed here: <https://www.perkinscoie.com/en/client-privacy-policy.html>.

After 30 days, a monthly late charge of 1% per month from the invoice date (or such lower rate as required by applicable law) will be due. Should a collection action or proceeding be necessary, attorneys' fees and costs for such collection effort will also be due.

**Professional Services through 03/31/2024**

<b>Date</b>	<b>Attorney / Assistant</b>	<b>Description of Service</b>	<b>Hours</b>
01/17/2024	T. Moss	Review CCAA Application; review and analysis of issues related to chapter 15 petition; review applicable statutory and case law authorities; conference call with J. Sleeth, R. Williams, and R. Jaipargas regarding chapter 15 recognition of CCAA proceedings; conference call with M. Desgrosseilliers and R. Jaipargas regarding retention of DE counsel	1.50
01/18/2024	T. Moss	Review CCAA Application and proposed Order; review and analysis of issues related to chapter 15 petition; review applicable statutory and case law authorities; conference call with J. Sleeth, R. Williams and R. Jaipargas regarding chapter 15 petition and related matters; conference call with R. Jaipargas, M. Desgrosseilliers regarding retention of Chipman Brown as DE counsel; review and comment on CCAA proposed Order, and telephone conference with R. Jaipargas regarding same; correspondence and conferences with P. Jasper and R. Leibowitz regarding tasks to be completed and timing; correspondence with Deloitte, BLG and DE counsel regarding various matters pertaining to chapter 15 relief; correspondence with B. Turoff regarding employment matters; assemble materials for Petition and related documents	6.80
01/18/2024	P. Jasper	Discussion with T. Moss re background facts and tasks to be completed; review Canadian filings; draft motion for provisional relief	2.00
01/18/2024	B. Turoff	Review and analysis of issue regarding directors' personal liability for wage and hour violations; draft communication regarding same.	0.30
01/19/2024	T. Moss	Review CCAA Application and proposed Order; review and analysis of issues related to chapter 15 petition; review applicable statutory and case law authorities; correspondence and conferences with P. Jasper and R. Leibowitz regarding preparation of chapter 15 pleadings; correspondence with Deloitte, BLG and DE counsel regarding various matters pertaining to CCAA proceedings and chapter 15 relief; draft Verified Petition; review Petition Cover Sheets; review draft pro hac vice applications from DE counsel	7.50
01/19/2024	R. Leibowitz	Prepare chapter 15 petitions; prepare case caption for jointly-administered cases and revise same; review reference case docket and draft motion for joint administration; multiple correspondence with T. Moss regarding information needed; review Canadian bankruptcy filing regarding same; review and revise pro hac vice motions	6.90
01/19/2024	P. Jasper	Discussion with T. Moss re next steps; Draft motion for provisional relief; Review interim order and other CCAA pleadings; Revise pro hac vice application;	3.00
01/20/2024	P. Jasper	Review initial order and related filings; continue to draft motion for provisional relief;	3.20
01/21/2024	T. Moss	Draft Verified Petition; review relevant documents and authorities in connection with same; conferences with P. Jasper regarding same and Motion for Provisional Relief; correspondence with H. Rutledge and K. Allare regarding tasks to be completed; draft Corporate Ownership Statement; correspondence with J. Sleeth, R. Williams, and R. Jaipargas regarding various matters related to chapter 15 petitions	8.20

Date	Attorney / Assistant	Description of Service	Hours
01/21/2024	P. Jasper	Multiple discussions with T. Moss re factual background, strategic and legal issues, and next steps; continue to draft motion for provisional relief;	6.20
01/22/2024	T. Moss	Draft Declaration of Foreign Representative; review and revise draft Motion and proposed Order for Joint Administration; review and revise draft Motion and Order for Provisional Relief; draft Statement of Corporate Ownership Statement; correspondence with H. Rutledge and A. Shankman regarding tasks to be completed; correspondence with Deloitte and R. Jaipargas regarding various matters related to chapter 15 petitions; correspondence and telephone conference with DE counsel regarding same and coordination of filing/hearing date; review relevant documents and authorities in connection chapter 15 filings;	12.60
01/22/2024	P. Jasper	Continue to draft motion for provisional relief. Review and revise Deloitte declaration. Review and revise verified petition. Draft Canadian counsel declaration. Multiple discussions with T. Moss re strategic issues. Review documents re same.	9.10
01/22/2024	H. Varner	Review and revise motions for joint administration and for provisional relief;	3.80
01/22/2024	A. Shankman	Review of and citation check of Verified Petition; correspondence and conference with T. Moss regarding the same; review of relevant cases cited in the Verified Petition;	3.10
01/23/2024	T. Moss	Draft Order Granting Verified Petition; review and revise Jaipargas Declaration; update conflict review; telephone conference and correspondence with R. Jaipargas regarding DIP Financing matters; conferences with P. Jasper regarding draft pleadings; review Chipman draft; correspondence with Deloitte, R. Jaipargas and Chipman regarding draft pleadings and team review	4.40
01/23/2024	P. Jasper	Revise provisional relief motion, verified petition, and Canadian counsel declaration; review and revise recognition order; discussions with T. Moss re same; review and consider comments from R. Jaipargas on draft filings re petition for recognition, motion for provisional relief, joint administration motion, corporate statement, and related orders and declarations	4.00
01/23/2024	H. Varner	Review and revise citations in declaration in support of the petition;	0.80
01/24/2024	T. Moss	Review R. Jaipargas and Deloitte comments to chapter 15 pleadings; conference call with Deloitte team, R. Jaipargas and DE counsel regarding chapter 15 pleadings, strategy and next steps; draft revisions to chapter 15 pleadings; confer with P. Jasper regarding various issues; review and analysis of issues related to DIP Financing; forward draft pleadings to Dentons; telephone conference and correspondence with R. Jaipargas regarding various matters; correspondence with Deloitte and DE counsel regarding various matters	9.70
01/24/2024	P. Jasper	Review and analysis of comments from Deloitte and R. Jaipargas re petition, motion for provisional relief and related filings; discussions with T. Moss re same; revise provisional relief motion and order; review correspondence regarding same; review motion scheduling hearing and for approval of noticing methods	4.60



Date	Attorney / Assistant	Description of Service	Hours
01/25/2024	T. Moss	Revise and finalize chapter 15 petitions and related motions and agenda for filing; telephone conference with R. Jaipargas regarding same, status and scheduling; telephone conference with J. Sleeth regarding same; telephone conference with L. Macksoud (Dentons) regarding comments to draft pleadings; telephone conferences and correspondence with DE counsel to regarding UST comments and coordination of filing of petitions and related motions; review Amended and Restated Order and forward documents to DE counsel for filing; preparation for First Day Hearing	8.50
01/25/2024	C. Horan	Obtain copies of cases for T. Moss;	0.40
01/25/2024	P. Jasper	Review and analysis re U.S. Trustee comments on draft filings. Discussion with T. Moss re same. Revise motion and order for provisional relief to address comments from U.S. Trustee. Review filings and prepare outline for oral argument. Review materials in preparation for same.	5.00
01/25/2024	H. Varner	Review and revise verified petition before filing, and assist T. Moss in preparation for upcoming hearing;	2.10
01/26/2024	T. Moss	Revise and finalize draft pro hac vice motion, draft amended hearing agenda, draft Notice of Filing of Amended and Restated Order; correspondence with DE counsel regarding same; preparation for First Day hearing; conference call with J. Sleeth, R. Jaipargas, DE Counsel, and P. Jasper in preparation for First Day Hearing; court appearance for First Day Hearing; follow-up telephone conference and correspondence with DE counsel regarding next steps	7.20
01/26/2024	P. Jasper	Prepare for and attend first day hearing. Continue to draft outline for oral argument. Review statutory authority and filings re same.	4.20
01/29/2024	T. Moss	Correspondence with R. Jaipargas and DE counsel regarding Canadian court entry of ARIO; correspondence with DE counsel regarding email service list	0.20
01/29/2024	P. Jasper	Review correspondence from co-counsel re entry of orders and follow up issues.	0.10
01/31/2024	T. Moss	Correspondence with Deloitte and DE counsel regarding DIP financing and fees; telephone conference with R. Jaipargas regarding same	0.20
02/01/2024	T. Moss	Correspondence with DE counsel regarding procedural matters and service	0.20
02/01/2024	P. Jasper	Review emails from T. Moss and R. Fusco re notice and servicing issues;	0.10
02/02/2024	T. Moss	Correspondence with Deloitte and DE counsel regarding service list; correspondence with R. Leibowitz regarding ECF notices	0.50
02/02/2024	R. Leibowitz	Follow up with T. Moss regarding request to receive notice in Delaware chapter 15; correspondence with paralegal to local counsel regarding process for same;	0.90
02/02/2024	P. Jasper	Review correspondence from T. Moss, J. Sleeth, R. Fusco, M. Desgrosseilliers, and R. Leibowitz re notice and servicing issues;	0.20

Date	Attorney / Assistant	Description of Service	Hours
02/05/2024	T. Moss	Correspondence with DE counsel, R. Jaipargas and G. Phoenix regarding ARIO filing	0.20
02/05/2024	P. Jasper	Review correspondence from T. Moss, R. Phoneix, M. Desgrosseilliers, R. Jaipargas, and J. Earl re ARIO;	0.20
02/16/2024	T. Moss	Review docket and Texas Comptroller filings; correspondence with Deloitte, R. Jaipargas and DE counsel regarding same and preparation for 2/22 hearing	0.50
02/16/2024	P. Jasper	Review correspondence from J. Sleeth, R. Jaipargas, R. Fusco and T. Moss re agenda, petition and related issues;	0.20
02/19/2024	T. Moss	Review docket; review and revise draft Agenda for 2/22 hearing	0.50
02/19/2024	P. Jasper	Review correspondence regarding revised agenda; correspondence with T. Moss regarding hearing	0.10
02/20/2024	P. Jasper	Review correspondence regarding agenda and issued order; review final recognition order.	0.30
02/21/2024	T. Moss	Correspondence with H. Rutledge regarding motion to recognize asset sale in foreign court	0.10
02/21/2024	H. Varner	Begin research regarding sale motions filed in chapter 15 proceedings, and coordinate with library regarding additional research regarding same;	1.60
02/22/2024	A. Sayban	Research for potential sale motion for H. Rutledge;	0.30
02/23/2024	P. Jasper	Review correspondence from T. Moss and H. Rutledge re motion to recognize asset sales conducted in foreign court.	0.10
02/23/2024	H. Varner	Finalize research regarding sale motion in chapter 15 proceedings, and forward to T. Moss;	0.80
02/26/2024	T. Moss	Review DE cases regarding recognition of CCAA sale order; review SISP procedures; conference with P. Jasper regarding status and next steps	1.70
02/26/2024	P. Jasper	Review sale motions; discussion with T. Moss re sale recognition and related issues	0.30
02/27/2024	T. Moss	Review Woodward Proof of Claim; correspondence with DE counsel regarding same	0.20
02/28/2024	T. Moss	Correspondence with DE counsel regarding FedEx inquiry and proof of claim filed	0.20
03/08/2024	T. Moss	Review SISP Procedures; correspondence and telephone conference with DE counsel regarding noticing requirements and review same; conference with P. Jasper regarding status and potential motion to approve sale order;	1.00
03/08/2024	P. Jasper	Discussion with T. Moss re sale motion recognition and related issues;	0.30
03/12/2024	T. Moss	Review and revise DE counsel draft correspondence to claimants	0.20

<b>Date</b>	<b>Attorney / Assistant</b>	<b>Description of Service</b>	<b>Hours</b>
03/13/2024	T. Moss	Review status of SISP process	0.20
03/13/2024	P. Jasper	Review correspondence from T. Moss and M. Desgrosseilliers, and correspondence to claimants, regarding claims filed in chapter 15 case.	0.20
03/23/2024	T. Moss	Conference with R. Williams regarding status and next steps	0.10
03/28/2024	T. Moss	Conference call with Deloitte, R. Jaipargas, and M. Desgrosseilliers regarding status of SISP and next steps; consider strategy regarding US proceedings; review management SISP proposal	1.00
<b>Total</b>			<b>137.80</b>

**Services**  
 \$174,172.00

**Less (20.00)% Discount**  
 (\$34,834.40)

**Total Services**  
 \$139,337.60

**Summary of Services through 03/31/2024**

<b>Attorney / Assistant</b>	<b>Title</b>	<b>Billed Hours</b>	<b>Billed Rate</b>	<b>Billed Amount</b>
B. Turoff	Partner	0.30	1,300.00	390.00
T. Moss	Partner	73.40	1,475.00	108,265.00
P. Jasper	Sr Counsel	43.40	1,175.00	50,995.00
A. Shankman	Associate	3.10	890.00	2,759.00
H. Varner	Associate	9.10	890.00	8,099.00
R. Leibowitz	Paralegal	7.80	430.00	3,354.00
A. Sayban	Indirect Staff	0.30	400.00	120.00
C. Horan	Indirect Staff	0.40	475.00	190.00
<b>Total Services</b>		<b>137.80</b>		<b>\$174,172.00</b>

**Total Invoice Amount**  
 \$139,337.60

**CHIPMAN BROWN  
CICERO & COLE**  
DELAWARE | NEW YORK

Hercules Plaza  
1313 N. Market Street, Suite 5400  
Wilmington, Delaware 19801  
Tel: (302) 295-0191  
www.ChipmanBrown.com

Federal ID. 90-0766994

**Invoice To:**  
Deloitte Restructuring Inc.  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Ontario  
M5H 0A9  
Canada

Invoice # 15510  
Date Issued: 02/13/2024  
Payment Due: 03/14/2024

Invoice Number	Total
15510	\$30,715.25
Subtotal	\$30,715.25
Tax	\$0.00
<b>Amount Due</b>	<b>\$30,715.25</b>

**CHIPMAN BROWN  
CICERO & COLE**

DELAWARE | NEW YORK

Invoice # 15510  
Date Issued: 02/13/2024  
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Deloitte Restructuring Inc.  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Ontario  
M5H 0A9  
Canada

**11382.001**

**Representation of Deloitte Restructuring Inc., in its role as court-appointed monitor for Simex Inc. and its affiliates in potential Chapter 15 filing**

**Services**

Date	Time Keeper	Description	Hours	Discount	Total
01/18/2024	RF	Review form Chapter 15 documents	0.10	-	\$30.00
01/18/2024	MLD	Communications with US Trustee; communications with Court; address first day filings and Chapter 15 service issues	1.30	50.0%	\$487.50
01/18/2024	MLD	Call with court concerning Chapter 15 filings; call with US Trustee regarding same; communications with co-counsel concerning same; research filing and service issues concerning same	1.20	-	\$900.00
01/19/2024	RF	doc organization	0.20	100.0%	\$0.00
01/19/2024	RF	Review service parties; research regarding same	1.50	50.0%	\$225.00
01/19/2024	MLD	Continue to prepare for Chapter 15 filings; communications with client and co-counsel regarding same; research concerning same	1.30	50.0%	\$487.50

and service issues; communications with Office of the United States Trustee					
01/19/2024	RF	Draft pro hac motions and circulate same	0.40	-	\$120.00
01/21/2024	MLD	Review CCAA filings in connection with Chapter 15 filings	0.60	-	\$450.00
01/22/2024	RF	Revise pro hac motions	0.10	-	\$30.00
01/22/2024	RF	Revise service list	1.20	-	\$360.00
01/22/2024	RF	Revise joint admin motion	0.30	-	\$90.00
01/22/2024	MLD	Prepare for Chapter 15 filing; respond to email inquiries from co-counsel; research regarding notice motion; review CCAA filings	1.30	50.0%	\$487.50
01/22/2024	KD	Exchange emails with Mark Desgrosseilliers regarding approach; review case dockets regarding notice and hearing motion procedure; send email motion to co-counsel, review motion for joint administration.	1.10	100.0%	\$0.00
01/23/2024	RF	Update service list	0.20	-	\$60.00
01/23/2024	RF	Review draft first day documents; emails regarding petitions; several emails regarding service of docs	1.30	-	\$390.00
01/23/2024	RF	Draft consolidated verified list	0.70	-	\$210.00
01/23/2024	MLD	Review background CCAA material and filings; review draft filings for Chapter 15	0.80	-	\$600.00
01/23/2024	KD	Review draft pleadings, revise same	1.80	-	\$855.00
01/23/2024	KD	Draft/revise motion for hearing and noticing procures, proposed order, notice and notice of publication	6.00	50.0%	\$1,425.00
01/24/2024	RF	Revise petitions; draft agenda	1.10	-	\$330.00
01/24/2024	MD	Review motions; filing status	1.00	-	\$300.00
01/24/2024	RF	Revise notice and service procedures motion	0.30	-	\$90.00
01/24/2024	MLD	Review petitions and first day filings; prepare for hearing; address service issues; communications with co-counsel; communications with counsel for the United States Trustee	5.30	50.0%	\$1,987.50
01/24/2024	KD	Review draft filings; revise same	4.90	-	\$2,327.50
01/25/2024	MD	Review email messages between M. Desgrosseilliers, K. Doughty, Perkins Coie	0.10	100.0%	\$0.00

and Borden Ladner teams regarding filing					
01/25/2024	RF	Revise 1st day documents; prepare documents for filing	2.50	-	\$750.00
01/25/2024	RF	File petitions & first day pleadings; coordinate service of same; circulate as filed documents	5.70	-	\$1,710.00
01/25/2024	MD	A101 Plan and prepare for B110 Case Administration: Review pro hac motions and file same	0.80	-	\$240.00
01/25/2024	MLD	Review/revise petitions and first day filings; communications with co-counsel; prepare for hearing; address service issues; communications with Chambers; communications with US Trustee regarding hearing and changes to orders	6.40	50.0%	\$2,400.00
01/25/2024	KD	Continue to revise notice and procedures motion; Telephone call with co-counsel regarding additional revisions to the notice and procedures motion; review trustee comments	3.70	50.0%	\$878.75
01/26/2024	MLD	Prepare for first day hearing for Chapter 15 petitions and related filings; review filings in connection with same; attend first day hearing; follow-up regarding same, including entry or orders and service/publication	5.80	-	\$4,350.00
01/26/2024	MD	Review email message from M. Desgrosseilliers attaching initial order, amended order and blackline and save same (.1); Update notice of filing and email same to M. Desgrosseilliers and K. Doughty (.3)	0.40	-	\$120.00
01/26/2024	MD	Prepare amended agenda notice for hearing	0.20	-	\$60.00
01/26/2024	MD	Revise pro hac motions and email to co-counsel for review/comment (.2); Finalize and file Motion and Order for Admission Pro Hac Vice for T. Moss and P. Jasper and upload proposed orders (.4)	0.60	-	\$180.00
01/26/2024	MD	Update service lists	0.20	-	\$60.00
01/26/2024	MD	Review email messages between M. Desgrosseilliers and co-counsel regarding comments to notice of filing	0.10	100.0%	\$0.00
01/26/2024	MD	Organize exhibits (.1); Finalize and file Notice of Filing of Proposed Amended and Restated Initial Order and Black-Line of Same Against Initial Order (.2)	0.30	-	\$90.00

01/26/2024	MD	Update amended agenda notice and email same to CBCC and Perkins teams for review/comment	0.20	-	\$60.00
01/26/2024	MD	Finalize and file Notice of Filing of Bankruptcy Petitions and Related Pleadings; Amended Notice and Agenda of Hearing on First Day Motions Scheduled for January 26, 2024 (.2); Email as-filed copy of amended agenda notice and notice of filing to D. Gadson, Judge Horan's chambers (.1); Emails with Reliable regarding delivery of hard copies to chambers (.1)	0.40	-	\$120.00
01/26/2024	MD	Emails with Reliable regarding electronic and first-class service of (1) Notice of Filing of Proposed Amended and Restated Initial Order and Black-Line of Sale Against Initial Order and (2) Notice of Filing of Bankruptcy Petitions and Related Pleadings; Amended Notice and Agenda of Hearing on First Day Motions Scheduled for January 26, 2024	0.10	-	\$30.00
01/26/2024	MD	Review email message from M. Desgrosseilliers regarding status of Zoom information for today's hearing (.1); Email message to D. Gadson, Judge Horan's chambers regarding same (.1)	0.20	100.0%	\$0.00
01/26/2024	MD	Several email messages from M. Desgrosseilliers, K. Doughty, co-counsel regarding Zoom information; Review Zoom procedures, Court's instructions for any contact information, direction; Review email message from D. Gadson regarding same	0.20	-	\$60.00
01/26/2024	MD	Review email message from M. Desgrosseilliers regarding filing joint administration order under certification of counsel (.1); Prepare certification of counsel (.2); Revise proposed order and prepare blackline comparison of same (.2); Finalize and file Certification of Counsel Regarding Foreign Representative's Motion for Order (I) Directing Joint Administration of Cases under Chapter 15 and (II) Authorizing Foreign Representative to File Consolidated Lists of Information Required by Bankruptcy Rule 1007(a)(4) (.2) and upload proposed order for each Debtor (.2)	0.90	-	\$270.00
01/26/2024	MD	Telephone calls with M. Desgrosseilliers regarding orders, next steps	0.10	100.0%	\$0.00
01/26/2024	MD	Review email message from M. Desgrosseilliers and calendar deadlines regarding second day hearing	0.10	100.0%	\$0.00



01/26/2024	MD	Update order for provisional relief and prepare same for entry	0.40	-	\$120.00
01/26/2024	MD	Review Order Scheduling Hearing and Specifying Form and Manner of Service of Notice (.2)	0.30	-	\$90.00
01/26/2024	MD	Email message to co-counsel attaching revised amended agenda notice	0.10	100.0%	\$0.00
01/26/2024	MD	Review (1) Order (I) Directing Joint Administration of Cases Under Chapter 15 and (II) Authorizing Foreign Representative to File Consolidated Lists of Information Required by Bankruptcy Rule 1007(A)(4); (2) Order Granting Provisional Relief Pursuant to Section 1519; and (3) Order Scheduling Hearing and Specifying Form and Manner of Service of Notice; Emails with Reliable regarding service of orders	0.40	-	\$120.00
01/26/2024	KD	Review Notice of Filing and revisions; review Amended Agenda and service emails; Attend First Day hearing w.	1.40	50.0%	\$332.50
01/27/2024	MD	Review email message from M. Desgrosseilliers attaching notice of final recognition hearing (.1); Save and update/ revise same and email to M. Desgrosseilliers and K. Doughty for further comment (.3)	0.40	-	\$120.00
01/27/2024	MD	Review publication notice	0.40	-	\$120.00
01/27/2024	MD	Finalize and file Notice of Recognition Hearing and Notice of Entry of Provisional Order	0.20	-	\$60.00
01/27/2024	MD	Address service and draft publication notice	0.20	-	\$60.00
01/27/2024	MLD	Review entered orders; address service issues; address publication issues	0.80	100.0%	\$0.00
01/27/2024	KD	Review Notice of Publication and emails regarding same.	0.30	-	\$142.50
01/29/2024	MLD	Follow-up regarding service and publication issues	0.60	50.0%	\$225.00
01/29/2024	KD	Review emails regarding publication notice	0.10	100.0%	\$0.00
01/30/2024	MLD	Address service and publication issues	0.40	-	\$300.00
01/30/2024	MD	Review notice of filing and related documents	0.30	-	\$90.00
<b>Quantity Subtotal</b>					<b>69.3</b>
<b>Line Item Discount Subtotal</b>					<b>-\$10,376.25</b>

Services Subtotal **\$25,401.25**

**Expenses**

Date	Description	Quantity	Rate	Total
01/25/2024	E112 Court fees: USBC fees for 3 Petitions	3.00	\$1,738.00	\$5,214.00
01/25/2024	E112 Court fees: Pay.Gov (Regarding Annual Pro Hac Vice Fee for P. Jasper and T. Moss [Tracking ID ADEDC-4322946; Approval Code 025280])	2.00	\$50.00	\$100.00
<b>Expenses Subtotal</b>				<b>\$5,314.00</b>

Time Keeper	Position	Hours	Rate	Discount	Total
Mark Desgrosseilliers	Partner	25.8	\$750.00	-\$6,675.00	\$12,675.00
Kristi Doughty	Counsel	19.3	\$475.00	-\$3,206.25	\$5,961.25
Michelle Dero	Paralegal	8.6	\$300.00	-\$210.00	\$2,370.00
Renae Fusco	Paralegal	15.6	\$300.00	-\$285.00	\$4,395.00
<b>Quantity Total</b>					<b>69.3</b>
<b>Subtotal</b>					<b>\$30,715.25</b>
<b>Total</b>					<b>\$30,715.25</b>

**Detailed Statement of Account**

**Other Invoices**

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
15712	04/05/2024	\$7,248.71	\$0.00	\$7,248.71

**Current Invoice**

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
15510	03/14/2024	\$30,715.25	\$0.00	\$30,715.25
<b>Outstanding Balance</b>				<b>\$37,963.96</b>
<b>Total Amount Outstanding</b>				<b>\$37,963.96</b>

Please make all amounts payable to: Chipman Brown Cicero & Cole, LLP

**To make an online credit card payment:** <https://secure.lawpay.com/pages/chipmanbrown/operating>

Please pay within 30 days.

## Remittance Advice

### Payment By Check

**Remit checks to:** Chipman Brown Cicero & Cole, LLP  
Hercules Plaza  
1313 N. Market Street, Suite 5400  
Wilmington, DE 19801

### Wire Instructions

**Bank Name/Address:** WSFS Bank  
500 Delaware Avenue  
Wilmington, Delaware 19801  
(302) 571-6846

**Bank ABA/Routing #:** 031100102

**Name/Account #:** Chipman Brown Cicero & Cole, LLP Attorney Operating Account  
210128633

**SWIFT:** WSFCUS33

Please include the invoice number 15510 as an additional reference so we may accurately identify and apply your payment.

Please provide adequate payment to cover the wire fees assessed by your financial institution.

Invoice # 15510  
Date Issued: 02/13/2024  
Payment Due: 03/14/2024



### **Pay your invoice online**

**To pay your invoice, open the camera on your mobile device and place the QR code in the camera's view.**

Or, [click here](#) if you're viewing on a computer or smartphone.

**CHIPMAN BROWN  
CICERO & COLE**  
DELAWARE | NEW YORK

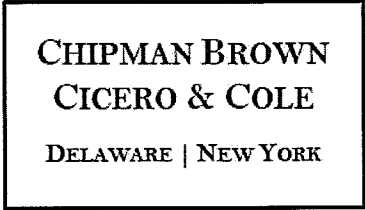
Hercules Plaza  
1313 N. Market Street, Suite 5400  
Wilmington, Delaware 19801  
Tel: (302) 295-0191  
www.ChipmanBrown.com

Federal ID. 90-0766994

**Invoice To:**  
Deloitte Restructuring Inc.  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Ontario  
M5H 0A9  
Canada

Invoice # 15712  
Date Issued: 03/06/2024  
Payment Due: 04/05/2024

<b>Invoice Number</b>	<b>Total</b>
15712	\$7,248.71
	Subtotal \$7,248.71
	Tax \$0.00
	<b>Amount Due \$7,248.71</b>



Invoice # 15712  
 Date Issued: 03/06/2024  
 Payment Due: 04/05/2024

Hercules Plaza  
 1313 N. Market Street, Suite 5400  
 Wilmington, Delaware 19801  
 Tel: (302) 295-0191  
 www.ChipmanBrown.com

Federal I.D. 90-0766994

Deloitte Restructuring Inc.  
 Bay Adelaide East  
 8 Adelaide Street West, Suite 200  
 Ontario  
 M5H 0A9  
 Canada

**11382.001**

Representation of Deloitte Restructuring Inc., in its role as court-appointed monitor for Simex Inc. and its affiliates in potential Chapter 15 filing

**Services**

Date	Time Keeper	Description	Hours	Discount	Total
02/01/2024	MD	Review email messages between M. Desgrosseilliers and L. Taylor, Reliable, regarding service	0.10	-	\$30.00
02/01/2024	RF	Review service issues concerning interim and final relief; update service list	1.80	-	\$540.00
02/01/2024	MD	Review email messages from T. Moss and M. Desgrosseilliers regarding status of service of orders; Email messages from/to R. Fusco regarding same	0.10	100.0%	\$0.00
02/02/2024	RF	Continue to address first day service issues	0.60	-	\$180.00
02/05/2024	RF	Review first day hearing transcript	0.10	-	\$30.00
02/05/2024	MLD	Review as entered ARIO; address filing of same and black-line	0.30	-	\$225.00
02/05/2024	KD	Review emails regarding Order entered in	0.10	100.0%	\$0.00

Canada, need to file notice with the court, and form of notice.					
02/06/2024	RF	Draft Notice of Filing regarding amended initial order; finalize same for review; file same	1.40	-	\$420.00
02/06/2024	MLD	Review Notice of filing of ARIO as entered and black-lines; communications concerning same with co-counsel	0.70	-	\$525.00
02/07/2024	MLD	Review filing of revised order in Canada; review service of same	0.80	-	\$600.00
02/15/2024	RF	Draft agenda	0.60	-	\$180.00
02/16/2024	RF	Review/revise agenda; address service and publication notice issues; prepare certificate of no objection regarding final recognition order; file same	1.40	-	\$420.00
02/16/2024	RF	efile verified petition CNO & upload order re same	0.20	-	\$60.00
02/16/2024	MLD	Review final order for recognition; review agenda; prepare for hearing	1.10	-	\$825.00
02/16/2024	KD	Review emails regarding no response having been filed to the Verified Petition, filing of certification of no objection and notice of appearance filed by the Texas comptroller of Public Accounts.	0.10	100.0%	\$0.00
02/19/2024	MLD	Review agenda notice; review creditor inquiries; communications with co-counsel; prepare for hearing	1.30	-	\$975.00
02/20/2024	RF	Revise agenda; file same; prepare amended agenda; file and serve same	1.20	-	\$360.00
02/20/2024	MLD	Continue to review/revise notice of agenda; review final order; communications with co-counsel concerning same; respond to creditor inquiries	0.80	-	\$600.00
02/28/2024	RF	rsrch re POC in chapter 15 cases	0.40	-	\$120.00
02/28/2024	MLD	Review proofs of claim and respond to inquiry from co-counsel; address service issues; address creditor inquiries	0.90	-	\$675.00
<b>Quantity Subtotal</b>					<b>14.0</b>
<b>Line Item Discount Subtotal</b>					<b>-\$125.00</b>
<b>Services Subtotal</b>					<b>\$6,765.00</b>



## Expenses

Date	Description	Quantity	Rate	Total
02/06/2024	Reliable (Mailing Services [Inv. #WL115013])	1.00	\$107.01	\$107.01
02/07/2024	Reliable (Mailing Services [Inv. #WL115065])	1.00	\$103.43	\$103.43
02/20/2024	FedEx Shipping (Inv. #8-420-78266)	4.00	\$26.18	\$104.72
02/20/2024	FedEx Shipping (Inv. #8-420-78266)	1.00	\$30.05	\$30.05
02/21/2024	Reliable (Mail and Hand Delivery Services [Inv. #WL115317])	1.00	\$138.50	\$138.50
<b>Expenses Subtotal</b>				<b>\$483.71</b>

Time Keeper	Position	Hours	Rate	Discount	Total
Mark Desgrosseilliers	Partner	5.9	\$750.00	-	\$4,425.00
Kristi Doughty	Counsel	0.2	\$475.00	-\$95.00	\$0.00
Michelle Dero	Paralegal	0.2	\$300.00	-\$30.00	\$30.00
Rena Fusco	Paralegal	7.7	\$300.00	-	\$2,310.00
<b>Quantity Total</b>					<b>14.0</b>
<b>Subtotal</b>					<b>\$7,248.71</b>
<b>Total</b>					<b>\$7,248.71</b>

## Detailed Statement of Account

### Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
15510	03/14/2024	\$30,715.25	\$0.00	\$30,715.25

### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
15712	04/05/2024	\$7,248.71	\$0.00	\$7,248.71

<b>Outstanding Balance</b>	<b>\$37,963.96</b>
<b>Total Amount Outstanding</b>	<b>\$37,963.96</b>

Please make all amounts payable to: Chipman Brown Cicero & Cole, LLP

**To make an online credit card payment:** <https://secure.lawpay.com/pages/chipmanbrown/operating>

Please pay within 30 days.

## Remittance Advice

### Payment By Check

**Remit checks to:** Chipman Brown Cicero & Cole, LLP  
Hercules Plaza  
1313 N. Market Street, Suite 5400  
Wilmington, DE 19801

### Wire Instructions

**Bank Name/Address:** WSFS Bank  
500 Delaware Avenue  
Wilmington, Delaware 19801  
(302) 571-6846

**Bank ABA/Routing #:** 031100102

**Name/Account #:** Chipman Brown Cicero & Cole, LLP Attorney Operating Account  
210128633

**SWIFT:** WSFCUS33

Please include the invoice number 15712 as an additional reference so we may accurately identify and apply your payment.

Please provide adequate payment to cover the wire fees assessed by your financial institution.

Invoice # 15712  
Date Issued: 03/06/2024  
Payment Due: 04/05/2024



## **Pay your invoice online**

**To pay your invoice, open the camera on your mobile device and place the QR code in the camera's view.**

Or, [click here](#) if you're viewing on a computer or smartphone.

**CHIPMAN BROWN  
CICERO & COLE**

**DELAWARE | NEW YORK**

Hercules Plaza  
1313 N. Market Street, Suite 5400  
Wilmington, Delaware 19801  
Tel: (302) 295-0191  
www.ChipmanBrown.com

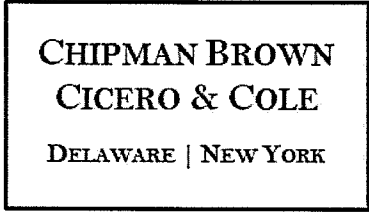
Federal ID. 90-0766994

**Invoice To:**

Deloitte Restructuring Inc.  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Ontario  
M5H 0A9  
Canada

Invoice # 15824  
Date Issued: 04/09/2024  
Payment Due: 05/09/2024

<b>Invoice Number</b>	<b>Total</b>
15824	\$2,056.00
	Subtotal \$2,056.00
	Tax \$0.00
	<b>Amount Due \$2,056.00</b>



Invoice # 15824  
 Date Issued: 04/09/2024  
 Payment Due: 05/09/2024

Hercules Plaza  
 1313 N. Market Street, Suite 5400  
 Wilmington, Delaware 19801  
 Tel: (302) 295-0191  
 www.ChipmanBrown.com

Federal ID. 90-0766994

Deloitte Restructuring Inc.  
 Bay Adelaide East  
 8 Adelaide Street West, Suite 200  
 Ontario  
 M5H 0A9  
 Canada

**11382.001**

**Representation of Deloitte Restructuring Inc., in its role as court-appointed monitor for Simex Inc. and its affiliates in potential Chapter 15 filing**

**Services**

Date	Time Keeper	Description	Hours	Total
03/08/2024	RF	Research regarding sale order recognition precedent	0.50	\$150.00
03/08/2024	MLD	Review claims filed and response to same; review notice issues in connection with sale recognition; communications with co-counsel concerning same	1.10	\$825.00
03/12/2024	KD	Review draft letter requesting withdrawal of proof of claim and providing information for filing a proof of claim in the Canadian proceedings; review comments from co-counsel.	0.20	\$95.00
03/13/2024	MLD	Review filed claims; review responses to same	1.10	\$825.00
			<b>Quantity Subtotal</b>	<b>2.9</b>
			<b>Services Subtotal</b>	<b>\$1,895.00</b>

**Expenses**

Date	Description	Quantity	Rate	Total
03/05/2024	Reliable (Transcript Copy of 1/26 Hearing [Inv. #WL115511])	1.00	\$132.00	\$132.00
03/06/2024	FedEx Shipping (Service on Feb. 20, 2024 [Inv. #2-249-89881])	1.00	\$29.00	\$29.00
<b>Expenses Subtotal</b>				<b>\$161.00</b>

Time Keeper	Position	Hours	Rate	Total
Mark Desgrosseilliers	Partner	2.2	\$750.00	\$1,650.00
Kristi Doughty	Counsel	0.2	\$475.00	\$95.00
Rena Fusco	Paralegal	0.5	\$300.00	\$150.00
<b>Quantity Total</b>				<b>2.9</b>
<b>Subtotal</b>				<b>\$2,056.00</b>
<b>Total</b>				<b>\$2,056.00</b>

## Detailed Statement of Account

### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
15824	05/09/2024	\$2,056.00	\$0.00	\$2,056.00
<b>Outstanding Balance</b>				<b>\$2,056.00</b>
<b>Total Amount Outstanding</b>				<b>\$2,056.00</b>

Please make all amounts payable to: Chipman Brown Cicero & Cole, LLP

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Please pay within 30 days.

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Wilmington, DE 19801

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**Bank Name/Address:** WSFS Bank  
500 Delaware Avenue  
Wilmington, Delaware 19801  
(302) 571-6846

**Bank ABA/Routing #:** 031100102

**Name/Account #:** Chipman Brown Cicero & Cole, LLP Attorney Operating Account  
210128633

**SWIFT:** WSFCUS33

Please include the invoice number 15824 as an additional reference so we may accurately identify and apply your payment.

Please provide adequate payment to cover the wire fees assessed by your financial institution.



Invoice # 15824  
Date Issued: 04/09/2024  
Payment Due: 05/09/2024



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**To pay your invoice, open the camera on your mobile device and place the QR code in the camera's view.**

Or, [click here](#) if you're viewing on a computer or smartphone.

# Appendix O

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

**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF  
COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
SIMEX INC., IWERKS ENTERTAINMENT INC., AND  
SIMEX-IWERKS MYRTLE BEACH LLC**

**AFFIDAVIT OF ALEX MACFARLANE  
(Sworn April 23, 2024)**

I, **ALEX MACFARLANE**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am senior counsel at the law firm of Borden Ladner Gervais LLP ("**BLG**"), lawyers for Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") of all the assets, undertakings and properties of SimEx Inc. ("**SimEx**"), Iwerks Entertainment Inc. ("**Iwerks**") and Simex-Iwerks Myrtle Beach LLC (collectively, the "**Debtors**"), and as such have knowledge of the matters hereinafter deposed to.

2. This affidavit is made in support of a motion for, among other things, the approval of the fees and disbursements of BLG for the period from January 1, 2024 to April 22, 2024 (the "**Fees Period**"). Attached hereto and marked as **Exhibit "A"** is a summary of the hourly rate and time expended by the professionals at BLG during the Fees Period.

3. Attached hereto and marked as **Exhibit “B”** are true copies of the accounts issued by BLG for the Fees Period, in the total amount of \$129,460.04. The accounts attached as Exhibit B provides a fair and accurate description of the activities undertaken by BLG.

4. BLG requests that the Court approve its account for the Fees Period for fees in the amount of \$113,811.80, disbursements of \$798.79 and taxes of \$14,849.45, for services rendered and recorded.

5. BLG estimates that it will incur no more than \$40,000.00 in additional fees, excluding disbursements and applicable taxes (“**BLG’s Estimate to Completion**”), for services to be provided to the Monitor through to the date of the Monitor’s discharge. BLG requests that the Court approve BLG’s Estimate to Completion for the period from April 23, 2024 through to the date of the Monitor’s discharge.

**SWORN BEFORE ME** over video conference )  
this 23<sup>rd</sup> day of April 2024, in accordance with )  
Ontario Regulation 431/20. The affiant was )  
located in Toronto, in the Province of Ontario, )  
while the commissioner, Mariela Adriana )  
Gasparini, was located in Vaughan, in the )  
Province of Ontario. )  
)  
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)  
)  
)  
)  
)



**Commissioner for Taking Affidavits**

Law Society of Ontario Licence No.: P14458



**ALEX MACFARLANE**

**EXHIBIT A**

This is the Exhibit marked "A" referred to  
in the Affidavit of Alex MacFarlane,  
sworn before me this 23<sup>rd</sup> day of April 2024.

A handwritten signature in blue ink, appearing to read "Richard Payne", written over a horizontal line.

A Commissioner for Taking Affidavits

LSO Licence No.: P14458

**EXHIBIT "A"**

**Summary of Fees and Disbursements of Borden Ladner Gervais LLP  
for the period from January 1, 2024 to April 22, 2024**

<b>Name of Professional</b>	<b>Total Hours Billed</b>	<b>Avg. Hourly Rate (\$/Hr)</b>	<b>Total Amount Billed</b>
A. Al-Arabi	6.10	\$250.00	\$1,525.00
J.L. Francis	0.40	\$297.00	\$118.80
A. Gasparini	7.10	\$290.77	\$2,064.50
N. Hollard	1.10	\$470.00	\$517.00
R. Jaipargas	87.40	\$994.79	\$86,945.00
T. McCormick	7.30	\$985.00	\$7,190.50
J. Palace	0.30	\$383.33	\$115.00
M. Vandenberghe	21.20	\$540.00	\$11,448.00
C. Chien	7.20	\$540.00	\$3,888.00
Total Hours/Average Rate/Total Fees	<b>138.10</b>	<b>\$824.13</b>	<b>\$113,811.80</b>
Total Disbursements			<b>\$798.79</b>
Total Fees and Disbursements excluding Tax			<b>\$114,610.59</b>
Taxes (GST/HST)			<b>\$14,849.45</b>
Total Fees and Disbursements including Tax			<b>\$129,460.04</b>

**EXHIBIT B**

This is the Exhibit marked "B" referred to  
in the Affidavit of Alex MacFarlane,  
sworn before me this 23<sup>rd</sup> day of April 2024.

A handwritten signature in blue ink, appearing to read "Richard Payne", is written over a horizontal line.

A Commissioner for Taking Affidavits

LSO Licence No.: P14458



Borden Ladner Gervais LLP  
Lawyers | Patent & Trade-mark Agents  
Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada M5H 4E3  
T 416.367.6000 F 416.367.6749  
blg.com

Deloitte Restructuring Inc.  
c/o Deloitte LLP  
Bay Adelaide East  
8 Adelaide Street West  
Suite 200  
Toronto, ON M5H 0A9

April 3, 2024

Invoice # 698370992  
Page 1

Attention: Jordan Sleeth

Re: SimEx

File No: 560836/000015

PROFESSIONAL SERVICES rendered to March 31, 2024 in connection with the above matter as described in the attached.

Fees	\$ 101,338.50
Less Discount	(16,523.40)
Fee Balance	<u>84,815.10</u>
Disbursements and Other Charges	798.79
HST on Fees and Taxable Disbursements and Other Charges	<u>11,079.88</u>
Total this Invoice	<u><b>\$ 96,693.77</b></u>

THIS IS OUR ACCOUNT - E. & O.E.

**BORDEN LADNER GERVAIS LLP**

*Borden Ladner Gervais LLP*

For: Roger Jaipargas



Deloitte Restructuring Inc.  
Re: SimEx

April 3, 2024  
Invoice # 698370992  
File No: 560836/000015  
Page 2

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PROFESSIONAL SERVICES RENDERED to March 31, 2024

Jan 2, 2024	R. Jaipargas	0.70	Emails from and to J. Sleeth re: SimEx matter and background on same, conference call with J. Sleeth re: same; telephone attendance with T. Moss re: costs and jurisdiction issues for proposed chapter 11 filing.
Jan 4, 2024	R. Jaipargas	0.10	Email from T. Moss re: estimate for chapter 11 filing; email to J. Sleeth re: same.
Jan 9, 2024	R. Jaipargas	0.30	Emails to and from J. Sleeth re: next steps on CCAA application of SimEx; emails to and from G. Phoenix re: same.
Jan 10, 2024	R. Jaipargas	0.80	Engaged on review of interim report of Deloitte provided to RBC re: background on SimEx matter; emails to and from G. Phoenix and K. Kraft re: court date for a hearing of the CCAA application.
Jan 11, 2024	R. Jaipargas	1.40	Attend at conference call with Dentons, Loopstra and Deloitte re: various outstanding matters in connection with the proposed SimEx CCAA application, emails to and from G. Phoenix re: commercial list communication for hearing; obtain precedents of initial order and pre-filing report for J. Sleeth; email to J. Sleeth re: same.
Jan 12, 2024	R. Jaipargas	0.60	Emails to and from Dentons and Deloitte re: ongoing issues regarding the proposed CCAA filing of SimEx; call with J. Sleeth re: same.
Jan 14, 2024	R. Jaipargas	3.00	Emails to and from J. Sleeth re: call required to discuss SISP and next steps in connection with SimEx filing; numerous emails to and from Deloitte, Dentons and Loopstra re: same; review draft CCAA application and provide comments on same; review draft cash flow statements re: same; conference call with Deloitte team re: SISP and other matters and approach to take re: same.

Deloitte Restructuring Inc.  
Re: SimEx

April 3, 2024  
Invoice # 698370992  
File No: 560836/000015  
Page 3

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Jan 15, 2024	R. Jaipargas	2.80	Engaged on review and revisions to the SISP in connection with the proposed sales process for the SimEx proceedings; emails to and from Deloitte re: same; numerous emails to and from Deloitte, Dentons, RBC and Loopstra re: CCAA materials; telephone attendances with J. Sleeth re: same; attend at conference call with Deloitte, Loopstra, Dentons and RBC re: various issues in connection with CCAA filing and next steps re: same; emails to and from the working group re: draft initial order and approach to take re: same.
Jan 16, 2024	R. Jaipargas	5.00	Engaged on review and revisions to the draft Initial Order; numerous emails to and from Deloitte, Loopstra and Dentons re: same; further emails to and from G. Phoenix re: revised initial order; engaged on review and providing comments on same; emails to and from N. Hamadi re: issue of entities filling for CCAA protection and approach to take regarding same; telephone attendance with R. Williams re: approach to take in connection with court ordered charges; numerous emails to and from Deloitte re: sizing of admin and D&O charge and DIP lender charge; engaged on review of the DIP term sheet; emails to and from R. Williams re: comments on same; telephone attendance with T. Moss re: chapter 15 matters; emails to and from T. Moss re: same and conference call on January 17 to discuss same; attend at conference call with Deloitte, Loopstra and Dentons re: status of CCAA papers and next steps re: same; working on issues in connection with proposed filing of SimEx and its affiliates.
Jan 17, 2024	A. Gasparini	0.30	Draft Affidavit of service re notice of appearance; revised service list.

Deloitte Restructuring Inc.  
Re: SimEx

April 3, 2024  
Invoice # 698370992  
File No: 560836/000015  
Page 4

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- |              |              |      |  |
|--------------|--------------|------|--|
| Jan 17, 2024 | R. Jaipargas | 3.50 | Engaged on further review and consideration of DIP term sheet; emails to and from Deloitte re: same; emails to and from K. Kraft re: same; emails to and from G. Phoenix re: changes to the initial order; engaged on review and consideration of same; further comments on initial order; engaged on review of pre-filing report; emails to and from R. Williams re: same; emails to and from G. Phoenix re: service list; review same; telephone attendance with A. Gasparini re: instructions on filing pre-filing report on January 19 for hearing on January 19; emails to and from T. Moss re: application record of SimEx and questions to be dealt with as pat of conference call with Deloitte on January 18 to discuss jurisdiction and timing for chapter 15 filing; numerous emails to and from the CCAA working group including Dentons, Deloitte and Loopstra re: ongoing matters in connection with CCAA filing including cash flows and court-ordered charges. |
| Jan 18, 2024 | A. Gasparini | 1.40 | Revise affidavit of service; review service list and email D. Lau for courier slip; draft letter for courier party; correspond with J. Earl regarding motion details for service email; correspond with R. Jaipargas regarding proposed monitor report; compile report and serve upon service list; swear affidavit of service with J. Palace; email R. Graham Phoenix regarding report and AOS; coordinated with D. Lau, copycentre and mailroom for hardcopy of report for courier service party.  |

Deloitte Restructuring Inc.  
Re: SimEx

April 3, 2024  
Invoice # 698370992  
File No: 560836/000015  
Page 5

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Jan 18, 2024	R. Jaipargas	4.50	Attend at conference call with T. Moss, J. Sleeth and R. Williams re: chapter 15 proceedings for SimEx and addressing issues of jurisdiction and timing and relief to be sought in the chapter 15 proceedings; subsequent call with T. Moss and M. Desgrosseilliers re: filing in Delaware and next steps re: same; conference call with R. Williams, J. Sleeth and N. Meaken re: changes to the pre-filing report; numerous emails to and from Deloitte, Dentons and Loopstra re: revisions to the pre-filing report; engaged on review and revisions to same; emails to and from A. Gasparini re: same; telephone attendances with A. Gasparini re: instructions on service and filing of the pre-filing report; various emails to and from T. Moss re: language for the initial order on the foreign representative; emails to and from G. Phoenix re: same; working on finalizing materials for CCAA application for hearing on January 19, 2024; discussion with R. Williams re: same.
Jan 18, 2024	J. Palace	0.10	Commission Affidavit of Service of A. Gasparini and Deloitte Monitor.
Jan 19, 2024	A. Gasparini	0.50	draft Affidavit of service; email mailroom for courier slip; reswear affidavit with J. Palace and send to G. Phoenix.
Jan 19, 2024	R. Jaipargas	4.50	Engaged on preparation for court hearing before Justice Conway re: CCAA application of SimEx; review Pre-Filing Report in connection with same; attend at court hearing before Justice Conway re: hearing of the CCAA initial application; emails to and from US counsel re: same; emails to and from Deloitte and G. Phoenix re: revised Initial Order and materials sent to Court; emails to and from G. Phoenix re: revised Initial Order; review same; emails to and from T. Moss re: same; emails to and from US counsel re: chapter 15 matters; call with G. Phoenix re: next steps on preparation of an NDA and an APA; call with J. Sleeth re: same; review endorsement of Justice Conway re: same; emails to and from US counsel re: same.

Deloitte Restructuring Inc.  
Re: SimEx

April 3, 2024  
Invoice # 698370992  
File No: 560836/000015  
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Jan 21, 2024	R. Jaipargas	1.00	Emails to and from J. Sleeth re: next steps on SimEx CCAA proceedings and comeback hearing on January 29; email to G. Phoenix re: relief to be sought at Comeback hearing; emails to and from US counsel and Deloitte re: chapter 15 proceedings and issue of creditor lists and notifications re: same; email to Deloitte re: complying with section 23 of the CCAA and next steps regarding same.
Jan 22, 2024	N. Hollard	1.10	Calls with R. Jaipargas re computation of time under CCAA; conduct research re computation of time under CCAA with respect to s. 23(1)(a)(ii); correspond with R. Jaipargas re research findings.
Jan 22, 2024	R. Jaipargas	1.90	Emails from and to R. Williams re: ad for the national Post and notice to creditors; engaged on review and revisions to same and notice to creditors re: same; prepare blacklines of same; email to J. Sleeth re: notice to creditors and timing for same; telephone attendance with N. Hollard re: five day requirement under section 23 of the CCAA to send out notices to creditors; call with J. Sleeth re: same; emails to and from J. Salmas re: RBC security required and work in connection with the Chapter 15 materials.
Jan 23, 2024	A. Gasparini	0.20	Revise service list and circulate to working group.
Jan 23, 2024	A. Gasparini	0.20	Receive instructions from R. Jaipargas re certified copy of Order; email Commercial list re certified order.

Deloitte Restructuring Inc.  
Re: SimEx

April 3, 2024  
Invoice # 698370992  
File No: 560836/000015  
Page 7

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Jan 23, 2024	R. Jaipargas	5.00	Emails to and from T. Moss re: Chapter 15 matters and draft materials re: same; emails to and from J. Sleeth re: same; telephone attendance with T. Moss re: scope of DIP; call with J. Sleeth re: same; engaged on review and providing comments to G. Phoenix re: draft ARIO and SISP Order and Affidavit for the hearing on January 29, 2024; emails to and from R. Williams and G. Phoenix re: same; emails to and from R. Williams re: form of NDA for the SISP process; emails to and from T. Moss and Deloitte re: draft Chapter 15 papers; engaged on review of same; review comments from Deloitte re: same; engaged on preparing a reporting email to T. Moss re: collective comments on Chapter 15 materials; emails to and from S. Lam re: changes to the service list; emails to and from a. Gasparini re: same; emails to and from G. Phoenix re: status of the issued and entered Order; discussions with A. Gasparini re: requirement to obtain a certified copy of the Initial Order for the Chapter 15 proceedings.
Jan 24, 2024	A. Al-Arabi	2.60	Certification of proceedings for chapter 15 bankruptcy.
Jan 24, 2024	A. Gasparini	0.60	Email Commercial list regarding certified copy of order; send issued and entered order to the service list; coordinate with A. Al-Arabi and provide instructions for attending Court and obtaining copies of certified orders.

Deloitte Restructuring Inc.  
Re: SimEx

April 3, 2024  
Invoice # 698370992  
File No: 560836/000015  
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Jan 24, 2024	R. Jaipargas	3.70	Attend at conference call with Deloitte and US counsel re: Chapter 15 papers and next steps in connection with same; numerous emails to and from Deloitte, US counsel in connection with revisions to Chapter 15 materials; review additional motion in connection with requesting time for a hearing and other matters; emails to and from Chipman re: same; emails to and from G. Phoenix on materials for the comeback hearing and changes required to same; conference call with G. Phoenix and J. Salmas re: same.; calls with J. Sleeth re: various matters; emails to and from J. Sleeth re: same; engaged on review of revised amended and restated initial order; emails to and from G. Phoenix re: same; numerous emails to and from US counsel re: motion materials for Chapter 15 hearing and motion record of the applicants for the comeback hearing and a certified copy of the Initial Order.
Jan 24, 2024	J. Palace	0.10	Commission document for A. Gasparini.
Jan 25, 2024	A. Al-Arabi	1.70	Precedent search for asset purchase agreement that is in conjunction with a SISP proceeding.
Jan 25, 2024	R. Jaipargas	5.10	Engaged on review of form of NDA from Deloitte; call with T. McCormick re: NDA and APA required for SimEx sale process; review blackline of NDA from T. McCormick; meeting with T. McCormick and M. Vandenberg re: approach to take on APA and NDA; numerous emails to and from US counsel and Deloitte regarding draft materials for chapter 15 hearing; engaged on finalizing same including declaration of Roger Jaipargas; call with T. Moss re: same. call with J. Sleeth re: same; numerous emails to and from Dentons and G. Phoenix re: US hearing; call with M. Desgrosseilliers re: same; email from R. Williams re: draft First Report of the Monitor; engaged on review and revisions to same; email to R. Williams re: same.
Jan 25, 2024	T. McCormick	2.00	Review court record, NDA matters, meeting with R. Jaipargas and M. Vandenberghe.
Jan 25, 2024	M. Vandenberghe	3.00	Reviewing NDA for SimEx and providing comments on same; drafting asset purchase agreement.

PAYABLE ON RECEIPT  
INTEREST AT THE RATE OF 5.3% PER ANNUM MAY BE CHARGED ON ACCOUNTS WHICH ARE OVERDUE

**GST/HST REGISTRATION # R869096974RT0001**

April 3, 2024

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Deloitte Restructuring Inc.  
Re: SimEx

Jan 26, 2024	J.L. Francis	0.40	Review for compliance and submit a 1st Report and an Affidavit of Service via the court's online portal for acceptance into the court file.
Jan 26, 2024	A. Gasparini	1.00	Bookmark First Report of Monitor and service upon service list; update service list and send to Deloitte team; draft affidavit of service and swear AOS with J. Earl; send First Report and AOS to e-filing clerks for urgent court filing and upload court documents to CaseLines.
Jan 26, 2024	R. Jaipargas	3.00	Emails to and from Deloitte re: finalizing the First Report; emails to and from A. Gasparini re: service of the First Report; calls with A. Gasparini re: instructions on same; attend at conference call with Deloitte and US counsel to prepare for Chapter 15 hearing; attend at Chapter 15 zoom hearing in Delaware for Chapter 15 relief; further emails to and from Deloitte and US counsel re: outcome of same.
Jan 26, 2024	M. Vandenberghe	0.50	Drafting asset purchase agreement.
Jan 28, 2024	R. Jaipargas	0.60	Engaged on review of the First Report in connection with the comeback hearing on January 29; emails to and from Deloitte re: status of revised NDA and approach to take regarding same.
Jan 28, 2024	T. McCormick	0.80	APA matters, review precedent and discuss with M. Vandenberghe.
Jan 28, 2024	M. Vandenberghe	6.30	Drafting asset purchase agreement.
Jan 29, 2024	R. Jaipargas	2.20	Engaged on review of the First Report of the Monitor re: preparation of court hearing for the come-back motion for the amended and restated Initial Order and SISP approval; emails to and from US counsel re: outcome of motion and next steps in the US regarding same; emails to and from G. Phoenix re: updated ARIO and SISP; review same; review endorsement of Justice Conway; email to US counsel re: same; emails to and from G. Phoenix re: lease disclaimers for the Toronto premises and comments on same.
Jan 29, 2024	M. Vandenberghe	4.20	Drafting asset purchase agreement.



Deloitte Restructuring Inc.  
Re: SimEx

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Jan 30, 2024	R. Jaipargas	0.70	Emails to and from J. Sleeth re: NDA and approach to take re: same; emails to and from T. McCormick re: NDA received and feedback on same; emails to and from G. Phoenix re: lease disclaimers and issue of issued and entered ARIO; emails to and from the Department of Justice regarding changes to the service list; emails to and from J. Sleeth re: same; emails to and from US counsel re: the publication in a US newspaper.
Jan 30, 2024	M. Vandenberghe	0.20	Reviewing comments on NDA and responding to email regarding same; responding to T. McCormick regarding questions on draft asset purchase agreement.
Jan 31, 2024	A. Gasparini	0.20	Update service list and send it to working group.
Jan 31, 2024	R. Jaipargas	0.70	Emails from and to Deloitte re: issue of budgeting for DIP financing and issue of NDAs submitted to date; conference call with J. Sleeth re: various issues in connection with the SISP process for SimEx and US recognition matters.
Feb 1, 2024	R. Jaipargas	0.30	Emails from and to R. Williams re: issue of NDA and correspondence with lawyer for a third party with litigation against SimEx and advising on stay of proceedings, emails to and from US counsel re: chapter 15 matters.
Feb 2, 2024	R. Jaipargas	0.10	Emails to and from the Deloitte team re: NDA's executed to date.
Feb 2, 2024	M. Vandenberghe	0.50	Reviewing revised NDAs; reflecting comments from T. McCormick in draft asset purchase agreement.
Feb 4, 2024	R. Jaipargas	1.30	Engaged on review and revisions to the draft APA on SimEx in connection with sales process matters; emails to and from T. McCormick re: clean and blackline versions of same.
Feb 5, 2024	A. Al-Arabi	1.80	Attended the commercial list to certify bankruptcy proceedings.

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Deloitte Restructuring Inc.  
Re: SimEx

Feb 5, 2024	R. Jaipargas	1.00	Emails to and from R. Williams re: issue of correspondence receiver from counsel for Robert Callaghan regarding payment sunder settlement; emails to counsel to Mr. Callaghan re: stay of proceedings; emails to and from R. Williams re: APA; emails to and from T. McCormick re: draft APA; emails to and from US counsel re: documentation required for the final chapter 15 US hearing.
Feb 5, 2024	M. Vandenberghe	0.40	Reviewing amendments to APA; reviewing model vesting order; emails regarding APA.
Feb 6, 2024	R. Jaipargas	0.80	Emails to and from R. Williams and N. Vanderberg re: NDAs and issues regarding settling of the APA; review comments from R. Williams re: APA; call with N. Vanderberg re: same; review comments on APA from G. Phoenix re: same.
Feb 6, 2024	T. McCormick	1.00	NDA matters, APA matters, correspondence and calls.
Feb 6, 2024	M. Vandenberghe	0.90	Reviewing comments on NDAs; reviewing comments on APA and revising same.
Feb 7, 2024	R. Jaipargas	0.30	Emails to and from M. Vanderberg re: revised APA and NDA matters; review same.
Feb 7, 2024	T. McCormick	1.50	Call with working group re APA, review updated draft, correspondence.
Feb 7, 2024	M. Vandenberghe	1.70	Call regarding APA and revising same.
Feb 8, 2024	R. Jaipargas	1.20	Call with R. Williams re: agenda for call with RBC on SimEx update; conference call with R. Williams and RBC re: status of SimEx CCAA proceedings and next steps re: same; emails to and from BLG and Deloitte re: APA and NDA matters.
Feb 9, 2024	A. Gasparini	0.20	Update service list and send to R. Jaipargas and R. Williams.
Feb 9, 2024	R. Jaipargas	0.20	Emails from L. Williams at TGF re: notice of appearance for Warner Brothers; emails to and from R. Williams re: same; emails to and from G. Phoenix re: Toronto landlord lease disclaimer.

April 3, 2024

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Deloitte Restructuring Inc.  
Re: SimEx

Feb 12, 2024	R. Jaipargas	0.40	Emails to and from R. Nicholson re: request for call to discuss issues of concern to Warner Brothers, emails to and from G. Phoenix re: De Lage equipment that is the subject of a lease disclaimer and next steps re: same.
Feb 13, 2024	R. Jaipargas	0.50	Attend at conference call with R. Nicholson and J. Sleeth re: claims of Warner Brothers as against SimEx in its CCAA proceedings.
Feb 14, 2024	M. Vandenberghe	0.70	Reviewing revised NDA and providing comments on same.
Feb 15, 2024	T. McCormick	0.50	NDA matters, process matters.
Feb 16, 2024	R. Jaipargas	0.20	Emails to and from T. Moss re: notice of appearance by the comp troller in Texas and next steps on chapter 15 hearing on February 22; emails to and from J. Sleeth and T. Moss re: same.
Feb 19, 2024	R. Jaipargas	0.20	Emails from and to T. McCormick re: NDA and approach to take regarding same; emails to and from T. Moss re: chapter 15 matters.
Feb 20, 2024	A. Gasparini	0.20	Serve Final Recognition Order upon service list.
Feb 20, 2024	R. Jaipargas	0.20	Emails to and from M. Desgrosseilliers re: final order made in the chapter 15 proceedings; emails to and from Deloitte re: same.
Feb 20, 2024	M. Vandenberghe	1.00	Reviewing various matters related to NDAs; correspondence regarding same.
Feb 21, 2024	R. Jaipargas	0.20	Email from Alectra in connection with utilities amounts owing by SimEx; emails to and from R. Williams re: same.
Feb 22, 2024	R. Jaipargas	0.10	Email from counsel to Disney re: notice of appearance; email to Deloitte re: same.
Feb 22, 2024	M. Vandenberghe	0.70	Reviewing and revising APA in lieu of comments from Loopstra Nixon.
Feb 23, 2024	A. Gasparini	0.20	Update service list and send to J. Sleeth and R. Williams.
Feb 28, 2024	R. Jaipargas	0.20	Email to and from M. Desgrosseilliers re: claim filed by Robert Woodward; review same and status of a claims process in the SimEx insolvency proceedings.
Mar 6, 2024	R. Jaipargas	0.30	Emails to and from J. Sleeth and R. Williams and T. Moss re: issue of transactions on go-forward basis and call with US counsel to discuss same.

April 3, 2024

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Deloitte Restructuring Inc.  
Re: SimEx

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Mar 7, 2024	R. Jaipargas	0.10	Emails from and to R. Williams and T. Moss re: call required to discuss sale issues for the SimEx sales process.
Mar 8, 2024	R. Jaipargas	0.50	Conference call with T. Moss and J. Sleeth and R. Williams re: US proceeding matters and next steps re: same including possible recognition of an Ontario sale approval order.
Mar 8, 2024	M. Vandenberghe	0.20	Reviewing revised NDA and providing comments on same.
Mar 9, 2024	R. Jaipargas	0.10	Email to J. Salmas re: RBC security required for the security review for Deloitte.
Mar 11, 2024	R. Jaipargas	0.20	Emails from and to K. Zhao re: call required with a potential purchaser on March 12; emails to and from T. McCormick and J. Sleeth re: same.
Mar 12, 2024	R. Jaipargas	0.40	Email from and to J. Sleeth and Deloitte Corporate Finance re: new SISP deadline and summary of perspective purchases and interest re: same; emails to and from Deloitte re: call with a perspective purchaser.
Mar 12, 2024	T. McCormick	1.50	Process matters, working group meeting with potential bidder, correspondence.
Mar 12, 2024	M. Vandenberghe	0.90	Attending call with potential purchaser; following up regarding legal questions from call.
Mar 13, 2024	R. Jaipargas	0.30	Emails to and from M. Vandenberghe re: question raised by a prospective purchase re: representation on debtors assets and approach to take re: same; further email from M. Vandenberghe to Deloitte re: same.
Mar 14, 2024	R. Jaipargas	0.30	Telephone attendance with J. Sleeth re: status of the sale process and issue of potential post-filing claims in the CCAA proceedings and approach to take re: same.
Mar 15, 2024	R. Jaipargas	0.20	Call with J. Sleeth re: RBC security documents required for BLG security review; emails to and from N. Nicholson and J. Sleeth re: status of sales process.

April 3, 2024

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Deloitte Restructuring Inc.  
Re: SimEx

Mar 22, 2024	R. Jaipargas	1.20	Emails from and to J. Sleeth and R. Williams re: outcome of bid process; review summary from Deloitte re: same; review LOI from Triotech; conference call with J. Sleeth and R. Williams re: same; further call with R. Williams re: outcome of call with RBC and next steps on same.
Mar 26, 2024	R. Jaipargas	0.10	Emails from and to R. Nicholson and J. Sleeth re: status of the SISF.
Mar 27, 2024	R. Jaipargas	0.10	Emails from and to R. Williams re: call required to discuss a possible liquidation of SimEx and various options re: same.
Mar 28, 2024	R. Jaipargas	1.80	Conference call with J. Sleeth, R. Williams, T. Moss and M. Desgrosseilliers re: status of sales process and next steps on same in Canada and the USA; working on litigation as against SimEx; email from and to G. Phoenix re: LOI from existing management; engaged on review of same.

TO OUR FEES	\$ 101,338.50
Less Discount	(16,523.40)
<b>FEE BALANCE</b>	<u>84,815.10</u>

FEE SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Avg. Rate/Hr.</u>	<u>Amount</u>
A. Al-Arabi	6.10	\$ 250.00	\$ 1,525.00
J.L. Francis	0.40	297.00	118.80
A. Gasparini	5.00	288.16	1,440.80
N. Hollard	1.10	470.00	517.00
R. Jaipargas	63.90	978.17	62,505.00
T. McCormick	7.30	985.00	7,190.50
J. Palace	0.20	350.00	70.00
M. Vandenberghe	21.20	540.00	11,448.00

PAYABLE ON RECEIPT

INTEREST AT THE RATE OF 5.3% PER ANNUM MAY BE CHARGED ON ACCOUNTS WHICH ARE OVERDUE

**GST/HST REGISTRATION # R869096974RT0001**



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April 3, 2024

Invoice # 698370992

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Deloitte Restructuring Inc.  
Re: SimEx

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<u>105.20</u>	<u>\$ 84,815.10</u>
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DISBURSEMENTS AND OTHER CHARGES:

Non-Taxable

Filing Fees	<u>\$384.00</u>
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Total Non-Taxable Disbursements and Other Charges	<u>384.00</u>
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Taxable

G=GST; Q=QST; H=HST; P=PST

Binding Charges	23.80	H
Copies	240.90	H
Courier	120.15	H
Taxi	<u>29.94</u>	H

Total Taxable Disbursements and Other Charges	<u>414.79</u>
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Total Disbursements and Other Charges	798.79
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Total Fees and Disbursements and Other Charges	<u>85,613.89</u>
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HST on Fees and Taxable Disbursements and Other Charges	<u>11,079.88</u>
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TOTAL THIS INVOICE	<u><u>\$ 96,693.77</u></u>
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c/o Deloitte LLP  
Bay Adelaide East  
8 Adelaide Street West  
Suite 200  
Toronto, ON M5H 0A9

April 3, 2024  
Invoice # 698370992  
RJ/RJ

Re: SimEx

File No: 560836/000015

**REMITTANCE COPY**

Fees	\$ 101,338.50
Less Discount	(16,523.40)
Fee Balance	<u>84,815.10</u>
Disbursements and Other Charges	798.79
HST on Fees and Taxable Disbursements and Other Charges	<u>11,079.88</u>
Total this Invoice	<u><b>\$ 96,693.77</b></u>

PLEASE REFER TO PAYMENT OPTIONS PAGE FOR REMITTANCE INFORMATION.



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8 Adelaide Street West  
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Toronto, ON M5H 0A9

April 23, 2024

Invoice # 698379416  
Page 1

Attention: Jordan Sleeth

Re: SimEx

File No: 560836/000015

PROFESSIONAL SERVICES rendered to April 23, 2024 in connection with the above matter as described in the attached.

Fees	\$ 32,825.50
Less Discount	(3,828.80)
Fee Balance	<u>28,996.70</u>
Disbursements and Other Charges	0.00
HST on Fees and Taxable Disbursements and Other Charges	<u>3,769.57</u>
Total this Invoice	<u><b>\$ 32,766.27</b></u>

THIS IS OUR ACCOUNT - E. & O.E.

**BORDEN LADNER GERVAIS LLP**

*Borden Ladner Gervais LLP*

For: Roger Jaipargas



Deloitte Restructuring Inc.  
Re: SimEx

April 23, 2024  
Invoice # 698379416  
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Page 2

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PROFESSIONAL SERVICES RENDERED to April 23, 2024

Apr 1, 2024	R. Jaipargas	1.60	Conference call with J. Sleeth and R. Williams re: next steps on matter; emails to and from K. Kraft re: same; conference call with Deloitte and K. Kraft re: next steps on CCAA proceedings and US proceedings; engaged on review and revisions to draft email from Deloitte to RBC; emails to and from R. Williams re: same.
Apr 3, 2024	R. Jaipargas	0.60	Emails to and from R. Williams and G. Phoenix re: call to discuss next steps call with Deloitte and G. Phoenix re: same; call with T. Moss re: same.
Apr 4, 2024	R. Jaipargas	0.40	Emails from and to Deloitte re: email to RBC in connection with status of matter; emails to and from J. Sleeth re: same; telephone attendance with J. Sleeth re: same; review letter from I. Iversa re: claims by Disney.
Apr 9, 2024	R. Jaipargas	0.20	Email from G. Phoenix re: revised offer from SimEx; email to Deloitte re: same.
Apr 10, 2024	R. Jaipargas	0.10	Email from and to G. Phoenix and J. Sleeth re: court dates for the next court attendance on SimEx.
Apr 12, 2024	R. Jaipargas	0.30	Engaged on review of memo from J. Sleeth to RBC in connection with management offer and wind-down options; email to J. Sleeth re: same.
Apr 13, 2024	R. Jaipargas	0.10	Email from R. Williams re: status of the management bid for the SimEx assets.
Apr 15, 2024	R. Jaipargas	1.80	Email from G. Phoenix together with a draft APA for a management bid; review same; email to Deloitte re: same; emails to and from R. Williams and G. Phoenix re: various matters including management transaction and wind-down; call with G. Phoenix and Deloitte re: management offer and next steps on same; call with mark re: winding-up matters in the US and approach to take re: same; email to and from K. Kraft re: offer submitted by management.

Deloitte Restructuring Inc.  
Re: SimEx

April 23, 2024  
Invoice # 698379416  
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Page 3

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Apr 16, 2024	R. Jaipargas	2.20	Emails from and to R. Williams re: closing of Myrtle Beach; emails to and from Loopstra/Dentons/Deloitte re: status of management buy-out and next steps in matter; call with R. Williams re: same; conference call with K. KRaft and Deloitte re: management offer and next steps on same; emails to and from R. Williams re: list of monetary payments owing; emails to and from R. Williams re: claims of Warner Brothers and of others that are existing; email from N. Hamadi and K. Kraft re: management offer and position of RBC re: same.
Apr 17, 2024	A. Gasparini	0.60	Draft fees affidavit and send to R. Jaipargas for review.
Apr 17, 2024	R. Jaipargas	1.30	Emails from and to J. Sleeth and G. Phoenix and R. Nicholson on Warner Brothers issues; call with J. Sleeth re: next steps on same; attend at webex meeting with Deloitte, RBC and Dentons in connection with status of SimEx CCAA proceedings and next steps in connection with same; subsequent call with J. Sleeth and R. Williams re: next steps on the SimEx CCAA proceedings.
Apr 18, 2024	C. Chien	4.10	Conducted research on requirements with respect to reporting on material adverse change in CCAA proceedings, and reviewed and revised draft report of the monitor.
Apr 18, 2024	A. Gasparini	1.10	Review second report of monitor; email C. Chien regarding appendices; finalize report, compile and bookmark and send to J. Sleeth for review and approval; review service list; revise second report and serve upon service list.

Deloitte Restructuring Inc.  
Re: SimEx

April 23, 2024  
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Page 4

Apr 18, 2024	R. Jaipargas	4.50	Emails to and from G. Phoenix in connection with motion materials in connection with motion to terminate CCAA proceedings; emails to and from Deloitte re: various matters including monitor considerations on same; engaged on review and revisions to the draft second report of the monitor in connection with material adverse change; instructions to C. Chien re: same; numerous emails to and from C. Chien and Deloitte re: revised draft second report regarding material adverse change; various discussion with C. Chien and Deloitte re: same; emails to and from K Kraft and J. Phoenix re: same; approach to take regarding draft emails to terminate the CCAA proceedings; review letter from R. Nicholson re: position of Warner Brothers on SimEx wind-down; calls with A. Gasparini re: serving and filing second report of the monitor; emails to and from A. Gasparini re: same.
Apr 19, 2024	C. Chien	3.10	Conducted research on claims of post-filing suppliers or providers of goods or services to debtors.
Apr 19, 2024	A. Gasparini	0.40	Revise service list; email R. Jaipargas re same and draft affidavit of service.
Apr 19, 2024	R. Jaipargas	0.30	Emails from and to K. Kraft, J. Sleeth and G. Phoenix re: various wind-down matters for SimEx and draft motion materials re: same.
Apr 19, 2024	J. Palace	0.10	Commission Affidavit for A. Gasparini.
Apr 20, 2024	R. Jaipargas	4.80	Engaged on review and revisions to the draft Order and the Affidavit of Michael Needham for the April 26 motion for a termination and wind-down of the CCAA proceedings; emails to and from Deloitte and Loopstra re: same; email to and from G. Phoenix re: draft letter from R. Nicholson re: request to lift the stay so Warner Brother scan terminate the contract; review BLG draft fee affidavit for final motion ;emails to and from Loopstra and Mark re: draft motion materials regarding US matters and various comments on same; call with R. Williams and J. Sleeth re: revised draft motion materials and next steps on same.

April 23, 2024

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Deloitte Restructuring Inc.  
Re: SimEx

Apr 21, 2024	R. Jaipargas	1.80	Email from and to G. Phoenix re: changes to the Affidavit and Order; review same and issues regarding Warner Brothers and request to terminate contract; email to and from K. Kraft re: changes to draft order re: DIP lenders charge; emails to and from M. Desgrosseilliers re: same; conference call with M. Desgrosseilliers re: US proceedings and approach to take re: same and language for the DIP lenders charge in the CCAA termination order; email to G. Phoenix and K. Kraft re: revised CCAA termination Order and request to take on US matters.
Apr 22, 2024	R. Jaipargas	3.50	Emails from and to R. Williams re: draft motion materials and approach to take re: same; emails to and from G. Phoenix, K. Kraft and Deloitte re: applicants draft materials and changes required to same for the April 26 motion and issue of response to Warner Brothers; review of revised letter from Loopstra to TGF re: consenting to lifting of stay to terminate Warner Brothers contracts; emails to and from R. Nicholson re: same; emails to and from R. Williams re: draft Third Report of the Monitor; engaged on review and revisions to same; emails to Deloitte re: same.

TO OUR FEES	\$ 32,825.50
Less Discount	(3,828.80)
<b>FEE BALANCE</b>	<u>28,996.70</u>

FEE SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Avg. Rate/Hr.</u>	<u>Amount</u>
C. Chien	7.20	\$ 540.00	\$ 3,888.00
A. Gasparini	2.10	297.00	623.70
R. Jaipargas	23.50	1,040.00	24,440.00



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Deloitte Restructuring Inc.  
Re: SimEx

April 23, 2024  
Invoice # 698379416  
File No: 560836/000015  
Page 6

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J. Palace	<u>0.10</u>	450.00	<u>45.00</u>
	<u>32.90</u>		<u>\$ 28,996.70</u>
Total Fees and Disbursements and Other Charges			<u>28,996.70</u>
HST on Fees and Taxable Disbursements and Other Charges			<u>3,769.57</u>
TOTAL THIS INVOICE			<u><b>\$ 32,766.27</b></u>



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April 23, 2024  
Invoice # 698379416  
RJ/RJ

Re: SimEx

File No: 560836/000015

**REMITTANCE COPY**

Fees	\$ 32,825.50
Less Discount	(3,828.80)
Fee Balance	<u>28,996.70</u>
Disbursements and Other Charges	0.00
HST on Fees and Taxable Disbursements and Other Charges	<u>3,769.57</u>
Total this Invoice	<u><b>\$ 32,766.27</b></u>

PLEASE REFER TO PAYMENT OPTIONS PAGE FOR REMITTANCE INFORMATION.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO SIMEX INC.,  
IWERKS ENTERTAINMENT INC., AND SIMEX-IWERKS MYRTLE BEACH LLC**

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

PROCEEDING COMMENCED AT TORONTO

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**AFFIDAVIT OF ALEX MACFARLANE**

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Lawyers for Deloitte Restructuring Inc.

Court File No.: CV-24-00713128-0000

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**THIRD REPORT OF THE MONITOR  
April 25, 2024**

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