

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

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

Plaintiff

- and -

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

Defendants

**EIGHTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.  
(November 10, 2017)**

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

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

**C. Purpose of the Report**

3. The Receiver has prepared this Eighth Report to advise the Court and the Service List of the Receiver's intention to make a further distribution of \$3,700,000 to GP from available funds on hand, and to report on the source of these funds.

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

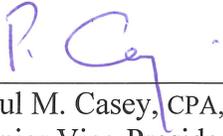
4. Attached as Appendix "A" is the Distribution Order of the Ontario Superior Court of Justice (Commercial List) dated April 18, 2017 (the "Distribution Order"). Paragraph 4 of the Distribution Order provides that "subject to paragraph 5 of this Order, the Receiver be and is hereby authorized to distribute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

5. To date, the Receiver has distributed \$7,946,750 to GP. Following the further distribution of \$3,700,000 as notified herein, cumulative distributions to GP will be \$11,646,750.
6. Attached as Appendix "B" is the Receiver's Statement of Receipts and Disbursements for the period from August 2, 2016 to November 7, 2017 which indicates that there are available funds on hand for a further distribution to GP of \$3,700,000.
7. The source of funds for this recommended distribution are film tax credit recoveries from Arc's affiliated companies as well as post-receivership HST recoveries. Total film tax credits net of amounts withheld for various deductions and penalties received to date by the Receiver are \$12,636,236 and are detailed on the attached Appendix "C".
8. After due consideration of the source of the funds for this proposed distribution, the Receiver is not aware of any party who may have a claim to these proceeds in priority to the interests of GP either as an owner or secured creditor. Notwithstanding, the Receiver has prepared, served and filed this Eighth Report to notify the Service List of its intention to make this distribution on November 23, 2017 or immediately thereafter in accordance with the Distribution Order.

All of which is respectfully submitted at Toronto, Ontario this 10<sup>th</sup> day of November, 2017.

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

Per:

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

# Appendix "A"

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

THE HONOURABLE

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TUESDAY, THE

JUSTICE NEWBOULD

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



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

**Plaintiff**

-and-

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

**Defendants**

**DISTRIBUTION ORDER**

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

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

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

#### **SERVICE**

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

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

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

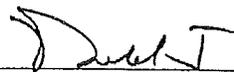
3. **THIS COURT ORDERS** that the fees of the Receiver and its counsel for the period from November 1, 2016 to February 28, 2017, as set out in the Fifth Report, are hereby approved.

#### **DISTRIBUTIONS**

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

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

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



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

APR 18 2017

PER / PAR: 

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

v

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

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

**ONTARIO**

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

Proceedings commenced at  
Toronto

**DISTRIBUTION ORDER**

**GOLDMAN SLOAN NASH & HABER LLP**  
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**Mario Forte** (LSUC #: 27293F)

**Lori Goldberg** (LSUC #58581V)

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Lawyers for Deloitte Restructuring Inc.

# Appendix “B”

## Appendix "B"

**In the Matter of the Receivership of Arc Productions Ltd. ("Arc")**  
**Statement of Receipts and Disbursements**  
**For the period from August 2, 2016 to November 10, 2017**

<b>Description</b>	<b>Amount</b>
<b>Receipts</b>	
Cash on hand and sale proceeds	\$ 2,197,736
Film tax credits recoveries net of CRA set-off, per "Appendix C"	12,636,236
Total receipts to date	<u>14,833,972</u>
<b>Disbursements</b>	
WEPP payments (Section 81.4 Claims)	1,068,875
Receiver's fees	709,237
Receiver's legal counsel fees	183,293
Contract employees and third party professionals	373,675
Operating expenses	230,673
Occupation rent	155,990
Tax credits filing and application fees	70,060
HST paid post-receivership, net of refunds	12,007
Total disbursements to date	<u>2,803,810</u>
<b>Surplus of receipts over disbursements before distributions to secured creditor</b>	<u><b>\$ 12,030,163</b></u>
Distributions to Secured Creditor	7,946,750
<b>Excess of Receipts over Disbursements</b>	<b>\$ 4,083,412</b>
<b>Less Accruals:</b>	
Holdback for fees, costs, and expenses	<u>(383,412)</u>
<b>Net amount available for fourth distribution</b>	<u><b>\$ 3,700,000</b></u>

# Appendix “C”

**In the matter of the Receivership of Arc Productions Ltd.**  
**Schedule of Film Tax Credits Received**  
**For the period from August 2, 2016 to November 10, 2017**

<i>Entity</i>	<i>Year</i>	<i>Production</i>	<i>Tax Credit</i>	<i>C\$ Received</i>			
TF I Productions Inc.	2014	Thomas & Friends 17 & 18	PSTC	75,745			
			OPSTC	242,198			
			OCASE	147,040			
			Thomas & Friends 19	PSTC	360,825		
				OPSTC	1,120,374		
				OCASE	753,684		
	2015		Accrued Interest		49,865		
				2015	Thomas & Friends 19	PSTC	220,077
						OPSTC	638,483
						OPSTC	874,225
		Accrued Interest	14,110				
			Entity Total	4,496,626			
BL II Productions Inc.	2014	Barbie's Life 4	PSTC	182,728			
			OPSTC	483,793			
			OCASE	220,037			
			Barbie's Life 5	PSTC	145,701		
				OPSTC	432,654		
				OCASE	212,337		
		Barbie DVD 2015	PSTC	313,553			
			OPSTC	923,251			
			OCASE	476,774			
	2015		Accrued Interest		68,593		
				2015	Barbie DVD 2015	PSTC	96,418
						OPSTC	298,828
						OPSTC	637,689
		Barbie DVD Fall 2016	OPSTC	468,287			
		Accrued Interest	78,775				
			Entity Total	5,039,418			
Eggs Ltd.	2015	Ice Age Holiday Special	OPSTC	118,248			
		Accrued Interest		188			
			Entity & Year Total	118,436			
ARC Productions Ltd.	2012	Matt Hatter 1	OPSTC	205,902			
			OCASE	980,707			
				870			
	2014	Somnia	PSTC	116,443			
			OPSTC	409,670			
	2015	Lego Marvel 2		9,160			
			OPSTC	371,491			
		Accrued Interest	3,904				
			Entity Total	2,098,147			
Kick Productions Ltd.	2016	Kody Kapow	OPSTC	301,852			
		Accrued Interest		331			
			Entity & Year Total	302,183			
In the Jungle Productions Inc.	2016	Tarzan and Jane	OPSTC	13,396			
		Accrued Interest		35			
			Entity & Year Total	13,431			
Princess Productions Inc.	2016	Elena	PSTC	675,086			
		Elena	OPSTC	1,336,485			
		Accrued Interest		6,071			
			Entity & Year Total	2,017,642			
Tax credits received to date				13,853,981			
Accrued interest received to date				231,902			
<b>Total processed and received to date</b>				<b>14,085,883</b>			
CRA set-off for HST owings as at July 31, 2016				(24,843)			
CRA set-off for source deductions and penalties				(1,424,804)			
<b>Net tax Credits received to date, September 1, 2017</b>				<b>12,636,236</b>			

GROSVENOR PARK MEDIA FUND L.P.

and

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

**Plaintiff**

Defendants

**ONTARIO  
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(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**EIGHTH REPORT OF THE RECEIVER**  
(November 10, 2017)