

**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

**FOURTH REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.
(December 5, 2016)**

1. This report is filed by Deloitte Restructuring Inc. (the "Receiver") in its capacity as receiver of the assets, properties and undertakings of Arc Productions Ltd. and the other corporate Defendants (collectively, "Arc" or the "Company") and the other Property as defined in the Receivership Order granted by the Honourable Mr. Justice Penny on Wednesday, August 10, 2016 (the "Receivership Order").
2. The Receiver has provided the Court with the following reports:

- (a) a first report of the Receiver (in its former capacity as Interim Receiver) dated August 8, 2016 in connection with the receiver's recommendation that a full receivership order be granted;
- (b) a second report of the Receiver dated August 16, 2016 in connection with the Receiver's recommendation for the approval of the sale of substantially all of the assets and undertaking of Arc to Jam Filled Entertainment (Toronto) Inc. ("Jam Filled");
- (c) a third report of the Receiver dated September 2, 2016 in connection with the Receiver's assignment of the Peter Street lease to the landlord and other relief.

Copies of these reports and other materials relevant to the Receivership can be accessed from the Receiver's website at www.insolvencies.deloitte.ca.

3. In preparing this Fourth Report, the Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, the Company's books and records, discussions with former management of the Company, and information from third-party sources (collectively, the "**Information**"). Except as described in this Fourth Report:
 - (a) the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver

expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

- (b) the Receiver has prepared this Fourth Report in its capacity as a Court-appointed officer to support the Court's approval of the relief being sought. Parties using the Fourth Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.

A. Purpose of the Report

4. The Receiver files this Fourth Report to report on the following issues and support the Receiver's recommendation that the Court provide the relief sought:

- (a) the activities of the Receiver since September 2, 2016 in respect of administering these receivership proceedings;
- (b) the Receiver's future activities required in respect of administering these receivership proceedings;
- (c) the Receiver's review of the validity and enforceability of Grosvenor Park Media Fund L.P. ("GP")'s security in respect of the assets, properties and undertakings of Arc and the opinion thereon of the Receiver's independent legal counsel, Goldman Sloan Nash & Haber LLP ("GSNH");
- (d) if the Order sought by GP authorizing the Receiver to assign Arc into bankruptcy and naming Deloitte Restructuring Inc. ("Deloitte") as Trustee in Bankruptcy (the "Trustee") is granted, the Receiver seeks an

Order authorizing the Receiver to transfer to the Trustee, such amounts as may be required to fund Arc's bankruptcy estate, to provide the necessary funding for the respective professional and other costs incurred by the Trustee in its administration of Arc's bankruptcy proceedings;

- (e) the Receiver's statement of receipts and disbursements to November 30, 2016;
- (f) the fees of the Receiver for the periods from August 27 to October 31, 2016 and the fees of the Receiver's legal counsel for the periods from August 29 to October 31, 2016; and,
- (g) the Receiver's recommendations to the Court.

B. Background

5. Arc is a corporation incorporated under the laws of Ontario. Arc has its head office in Toronto, Ontario. Arc is in the business of providing animation and computer graphic services to the film and television industry. Prior to the Interim Receivership, Arc had approximately 550 full time and contract employees.
6. Each of the other corporate defendants (the "Corporate Guarantors") has its head office in Toronto, Ontario, and each is a subsidiary and/or affiliate of Arc.

7. Thomas Murray, Kallan Kagan and Peter Kozik, are the only shareholders of Arc Investments Ltd., the ultimate indirect parent of Arc. The Receiver understands that Murray, Kagan and Kozik have resigned as Directors of Arc.
8. On Friday, July 29, 2016, GP brought a motion seeking the appointment of an Interim Receiver over Arc and certain other property. That motion was granted by the Honourable Mr. Justice Wilton-Siegel and the Interim Receiver was appointed pursuant the Interim Receivership Order dated July 29, 2016 (the "Original Interim Receivership Order"). Pursuant to the endorsement accompanying the Original Interim Receivership Order, the fact of the receivership order was to remain confidential and the Interim Receiver was not to implement the powers provided to it pending a return conference on August 2, 2016.
9. On Tuesday, August 2, 2016, the Lender sought and obtained the Fresh as Amended Interim Receivership Order (the "August 2, 2016 Order").
10. Pursuant to paragraph 14 of the August 2, 2016 Order, the employment the employees of Arc and the Corporate Guarantors (as defined therein) was deemed to have been terminated as of August 1, 2016. The operations of Arc in the ordinary course ceased as of the opening of business on August 2, 2016.
11. On Wednesday, August 10, 2016, the Receivership Order was granted by the Honourable Mr. Justice Penny.

C. Activities of the Receiver since September 2, 2016

12. The Receiver has continued to facilitate, upon request, the transfer and destruction of digital property where such customers have not entered into other arrangements with Jam Filled.
13. Pursuant to the Amended and Restated APA, the Receiver was able to maintain rights under certain contracts identified by Jam Filled in trust for up to 60 business days following August 22, 2016 (the "Hold Period") in order for the counterparties to these contracts to provide consent to the transfer or assignment or otherwise. The Amended and Restated APA requires Jam Filled to pay all counterparty costs, expenses and other liabilities incurred or accruing after August 22, 2016 and until the expiration of the Hold Period or the termination of the contracts. At this time, all negotiations with counterparties have been completed.
14. The Receiver has continued to administer employees' Wage Earner Protection Program Act ("WEPP") applications and responded to employee inquiries as received. As of November 30, 2016, 537 proofs of claims, out of 543 total employees, have been submitted by former employees and reviewed by the Receiver. 531 former employees have been paid their WEPP claims by Service Canada. The total amount paid for 531 former employees is \$1,933,467 which is comprised of \$1,731,582 for wages, \$64,698 for vacation pay, and \$137,187 for termination and severance pay.
15. By Order dated August 19, 2016, Koskie Minsky LLP ("KM") was appointed representative counsel to advise and represent former employees of Arc who were

terminated by the August 2, 2016 Order. Of the 543 former employees, the Receiver has been advised that four have opted out of representation by KM. Since that time, the Receiver has provided to KM the information it has requested to date.

16. Clyde & Co Canada LLP (“Clyde”) was appointed by the insurer of Arc to defend Arc’s former directors in the action against them commenced by various parties. The Receiver has provided to Clyde certain information it has requested to date and is continuing to facilitate other reasonable information requests.
17. As set out in previous reports, the largest asset of the Arc estate is film tax credit recoveries from Ontario Computer Animation and Special Effects (“OCASE”), Ontario Production Services Tax Credit (“OPSTC”) and Production Services Tax Credit (“PSTC”) filings. The Receiver has engaged specialist consultants to compile production and financial information, and to prepare and file 2015 and 2016 OCASE, OPSTC and PSTC tax returns and credit applications. The Receiver has continued to supervise these activities, as more specifically outlined in paragraph 15 of the Receiver’s Second Report.
18. The Receiver has requested and facilitated field audits by Canada Revenue Agency (“CRA”) with respect to Arc’s liabilities for unremitted employee source deductions for federal taxes and GST/HST. CRA has assessed Arc an amount of approximately \$1,429,865 with respect to unremitted employee source deductions including penalties and interest. CRA is in the process of finalizing the results of its trust examinations with respect to GST/HST.

D. Review of GP's Security

19. The Receiver has obtained an independent, written legal opinion from GSNH with respect to the validity and enforceability of GP's security (the "Security Opinion"). According to the Security Opinion, it is GSNH's view that, subject to the customary qualifications and limitations included therein, GP's security is valid and enforceable against all of the assets, properties and undertakings of Arc. A copy of the Security Opinion is attached hereto as Appendix "A".

E. Assignment in Bankruptcy

20. Even following the orderly sale and realization on all of Arc's business and operating assets, including the recovery of all tax credits to which Arc may be entitled, Arc will have no assets with which to pay its remaining obligations following distributions to its senior secured creditors who will suffer a significant shortfall. According to Arc's books and records, in addition to the amounts owed to GP and other secured creditors, Arc has estimated accrued and unpaid unsecured obligations totaling approximately \$23.7 million. Attached hereto as Appendix "B" is a schedule of the estimated liabilities as of August 2, 2016.
21. The Receiver is advised that GP will be filing a motion with the Court which will seek to have Arc adjudged bankrupt in order to provide some finality to the proceedings. In particular, GP's motion requests an order authorizing and directing the Receiver to file an assignment in bankruptcy on behalf of Arc.

22. Should the Court grant GP's motion, Deloitte has agreed to act as Trustee, provided that it receives funding for this bankruptcy administration as there will be no remaining assets available to settle the claims of the unsecured creditors of Arc. For this purpose, GP has agreed to permit the Receiver to transfer to the Trustee such amounts as may be required to fund Arc's bankruptcy estate from the receivership proceeds eligible to be distributed to GP by the Receiver.

F. Future Receivership Activities Required

23. The Receiver will continue to facilitate the return and/or destruction of digital property where applicable.
24. The Receiver will take such steps as are required to compile documentation, prepare filings and administer the collection of OCASE, OPSTC and PSTC credits recoverable for all periods up to August 2, 2016. This process will continue for a number of years.
25. The Receiver will complete the filing of corporate and HST tax returns, and other statutory reporting requirements pursuant to the *Bankruptcy and Insolvency Act*.

G. Statement of Receipts and Disbursements

26. The actual receipts and disbursements of the Receiver up to and including November 30, 2016 are summarized in the Receiver's Statement of Receipts and Disbursements attached to this Fourth Report as Appendix "C". As at November 30, 2016, there is a surplus of receipts over disbursements, before accrued receivership liabilities, of

\$965,000. Total receipts are \$2,197,000 are primarily comprised of cash on hand, sale proceeds, and cost reimbursements.

Total disbursements are \$1,232,000 which are comprised of the following major disbursements:

- (a) Receiver's interim billings totaling \$396,000 (excluding HST);
- (b) Receiver's legal counsel's interim billings of \$114,000 (excluding HST);
- (c) Payment to contract employees and third party professionals of \$191,000;
- (d) Operating expenses of \$178,000 paid to Scalar Decisions Inc. for rendering and storage services, HP and NFS for leasing of computer and related equipment; and
- (e) Occupation rent of \$156,000.

H. Fees of the Receiver and its Legal Counsel

- 27. Professional fees and disbursements charged by the Receiver in relation to the administration of the receivership for the period from August 27 to October 31, 2016 were \$168,452 (excluding HST). A copy of the Receiver's account for this period is included in the affidavit of Paul Casey sworn December 5, 2016 and is attached here as Appendix "D".
- 28. Professional fees and disbursements charged by the Goldman Sloan Nash & Haber LLP, independent legal counsel to the Receiver, for the period from August 29 to October 31,

2016 were \$23,398 (excluding HST). A copy of the GSNH's account for this period is included in the affidavit of Mario Forte sworn November 29, 2016 and is attached here as Appendix "E".


I. Recommendation

29. The Receiver recommends that the Court make an order:

- (a) Should GP's bankruptcy motion be granted, authorizing and directing the Receiver to pay such amounts to the Trustee as may be required to fund Arc's bankruptcy estate from the receivership proceeds eligible to be distributed to GP by the Receiver, from proceeds in the Receiver's possession;
- (b) Approving the reported actions of the Receiver since September 2, 2016 to date in administering these receivership proceedings; and
- (c) Approving of the fees of the Receiver for the period from August 27 to October 31, 2016 and the fees of the Receiver's legal counsel for the period from August 29 to October 31, 2016.

All of which is respectfully submitted at Toronto, Ontario this 5th day of December 2016.

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

Per: 

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

FOURTH REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.
(December 5, 2016)

APPENDIX "A"

dedicated to your success

August 9, 2016

Deloitte Restructuring Inc.
22 Adelaide Street West
Suite 200
Toronto, Ontario
M5H 0A9

Attention: Paul Casey, Senior Vice-President

Re: Review of certain security granted by Arc Productions Ltd. ("ARC") and its affiliates listed on Schedule "A" hereto ("Corporate Guarantors") in favour of Grosvenor Park Media LP ("GP") pursuant to Security Agreements dated December 10, 2015, entered into by each of ARC and the Corporate Guarantors (collectively, the "Security Agreements"), pursuant to which GP took security over all of ARC's and the Corporate Guarantors' then present and future acquired property wherever located.

In connection with your acting as Interim Receiver of the assets, property and undertakings of ARC and the Corporate Guarantors, you have asked us to provide our views in respect of the Security Agreements.

This opinion is provided to you in your capacity as Interim Receiver and is limited to our review of copies of the Security Agreements, certain corporate guarantees granted by the Corporate Guarantors (the "Guarantees"), various specific assignments pertaining to certain film and production services tax credit refunds (the "Tax Credits") received by ARC and the Corporate Guarantors from time to time and the related personal property security and corporate searches related thereto. All of the Security Agreements, Guarantees, and specific assignments of Tax Credits are substantially similar in form and substance, with the exception of necessary changes related to the identity of the signatory and the changes flowing therefrom. None of these changes affect the substantive opinions given herein. (Collectively, such Security Agreements, Guarantees, and specific assignments of Tax Credits are referred to as the "Security Documents".)

In conducting our review and for the purposes of the opinions given herein, we have made the assumptions contained herein and as set out in Schedule "B" attached hereto (collectively, the "Assumptions"). Additionally, our opinions herein are subject to the qualifications and limitations contained herein and as set out in Schedule "C" attached hereto (collectively, the

enforceability of the Security Documents as they are, in our view sufficient to validly create security interests in the property of ARC and the Corporate Guarantors, including the Tax Credits.

The undertaking, business, property, assets, interests, and rights of ARC and the Corporate Guarantors in which GP has been granted a security interest pursuant to the terms of the Security Documents are collectively referred to herein as the “**Charged Property**”.

We have made no investigation of the laws of any jurisdiction other than, and the opinions hereinafter expressed are restricted to, the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, we express no opinion thereon. Without limiting the foregoing, we express no opinion with respect to:

- (a) the laws of any other jurisdiction to the extent such laws may govern any aspect of the Security Documents or govern the validity, the perfection, the effect of perfection or non-perfection, or the enforcement of any Security Interests created thereunder as a result of the application of the conflict of laws rules of Ontario, including, without limitation, Sections 5 to 8.1 of the *Personal Property Security Act* (Ontario) (the “**Ontario PPSA**”); or,
- (b) whether, pursuant to the conflict of laws rules of any other jurisdiction, the laws of Ontario would govern the validity, perfection, the effect of perfection or non-perfection, or enforcement of any security interests created by the Security Documents.
- (c) In connection with this opinion, no review has been made of any of the transactions, agreements, indentures or other instruments of ARC and the Corporate Guarantors for the purposes of identifying matters described in this opinion, other than a review of the Security Documents.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed.

OPINIONS

Subject to the assumptions, qualifications and comments we have made herein and in the Schedules attached hereto, and the Discussion contained below, we are of the opinion that:

1. The Security Documents constitute a valid and binding obligations of ARC and the Corporate Guarantors, each respectively enforceable against ARC and the Corporate Guarantors in accordance with their terms;
2. The Security Documents create in favour of GP, valid security interests in the Charged Property identified therein to which the Ontario PPSA applies; and,

3. The Security Documents have been registered, filed or recorded in all public offices where ARC and the Corporate Guarantors where registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interests created by such Security Documents in the applicable Charged Property to which the Ontario PPSA applies.

RELIANCE

All opinions expressed herein are provided to you and are for the purpose of the performance of your responsibilities as Interim Receiver, and Receiver, including reporting to the Court and creditors, and including any future appointments in respect of ARC and the Corporate Guarantors, and may not be relied on by any other person, firm, corporation or entity without the prior written consent of Goldman, Sloan, Nash & Haber LLP. This opinion is given as of the date hereof and we do not undertake, and hereby expressly disclaim, any obligation to advise you of any change in any matters set forth herein.

SEARCHES CONDUCTED

We have reviewed searches of the public registries in respect of ARC and the Corporate Guarantors for filings or registrations made in Ontario, in the applicable offices of public record, against ARC and the Corporate Guarantors as we have deemed appropriate. These searches include corporate profile searches and Ontario PPSA searches, all as more specifically set out in **Schedule "C"** attached hereto. The searches were conducted in respect of the current legal names of ARC and the Corporate Guarantors, in each case as of the date(s) set forth in **Schedule "C"**.

We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time.

DISCUSSION

A principal component of the Charged Property are Tax Credits which ARC and/or the Corporate Guarantors receive from time to time in respect of their business.

Section 220 of the Income Tax Act (Canada) provides that:

(6) Notwithstanding section 67 of the Financial Administration Act and any other provision of a law of Canada or a province, a corporation may assign any amount payable to it under this Act.

(7) An assignment referred to in subsection 220(6) is not binding on Her Majesty in right of Canada and, without limiting the generality of the foregoing,

(a) the Minister is not required to pay to the assignee the assigned amount;


(b) the assignment does not create any liability of Her Majesty in right of Canada to the assignee; and

(c) the rights of the assignee are subject to all equitable and statutory rights of set-off in favour of Her Majesty in right of Canada.

While the Province of Quebec mirrors the above in its legislation, the Province of Ontario does not. In the case of Ontario tax credit legislation, the collection and administration of the tax credits has been delegated to the Canada Revenue Agency. Consequently, the provisions of Section 220 are applicable to the Ontario tax credit.

We trust that the foregoing is satisfactory. Should you have any questions or comments, please do not hesitate to contact us.

Yours truly,

Goldman Sloan NASH $\frac{1}{2}$ Haber LLP
per 

SCHEDULE "A"**ASSUMPTIONS****A. Authenticity and Accuracy**

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of: (i) all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein; (ii) all search results obtained by electronic transmission; and (iii) the results of any printed or computer search of any office of public record.

B. Authority

We have assumed that:

- (a) ARC and the Corporate Guarantors were a duly incorporated and validly existing corporations at the time that each of the Security Documents were authorized, executed and delivered, and that ARC and the Corporate Guarantors have continued to be duly incorporated and validly existing since that time;
- (b) ARC and the Corporate Guarantors, respectively had the requisite corporate power, capacity and authority to enter into and perform their respective obligations under each of the Security Documents at the time each of the Security Documents was authorized, executed and delivered; and
- (c) all necessary corporate action and proceedings had been taken by ARC and the Corporate Guarantors to respectively authorize the execution, delivery and performance of each of the Security Documents.

C. SECURITY AGREEMENTS

We have assumed that none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements that are relevant to the matters discussed in this letter.

D. Existence of Debt and Security Matters

We have assumed that:

- (a) valuable consideration has been given to ARC and the Corporate Guarantors and payment and other obligations remain outstanding by ARC and the Corporate Guarantors;
- (b) each of the Security Documents were duly executed and delivered by ARC and the Corporate Guarantors;

- (c) all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;
- (d) attachment of the security interests created by the Security Documents has occurred within the meaning of the Ontario PPSA;
- (e) ARC and the Corporate Guarantors each has an interest in its collateral expressed to be subject to the Security Documents; and
- (f) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Province of Ontario, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

E. Factual Matters

We have assumed that no fact exists, or has existed, that would entitle ARC and the Corporate Guarantors to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Documents.

F. Entire Agreement

We have assumed that there is no written or oral agreement or other facts or understanding and there is no trade usage or course of conduct or prior dealing, that would vary the interpretation, application or enforceability of any term or condition of the Security Documents, and that except as expressly noted herein, there have been no amendments, restatements, deletions or other modifications to the Security Documents.

G. Choice of law

We have assumed that the choice of the law of the Province of Ontario as the governing law of the Security Documents will be given effect to in any legal proceedings.

SCHEDULE "B"
QUALIFICATIONS

1. **Title:** We express no opinion concerning:
 - (a) title to any property that is purportedly subject to any security interest created by the Security Documents and such title has been assumed to the full extent necessary to express the opinions contained herein; and,
 - (b) the effectiveness of the Security Documents as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions that expressly or by necessity relate to the enforceability of each of the Security Documents (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:
 - (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the Ontario PPSA affecting the rights and remedies of creditors generally);
 - (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;
 - (c) the power of a court to grant relief from forfeiture;
 - (d) applicable laws regarding limitations of action;
 - (e) the court's powers to stay proceedings and execution of judgments;
 - (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;
 - (g) limitations that may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;
 - (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

- (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;
- (j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and,
- (k) the following limitations:
 - (i) provisions that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;
 - (ii) the *Courts of Justice Act* (Ontario) limits interest on a judgment debt arising under the judgment of a court of competent jurisdiction located in Ontario to rates prescribed by regulation from time to time;
 - (iii) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency.
 - (iv) rights of indemnity may be limited by applicable law;
 - (v) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;
 - (vi) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
 - (vii) no opinion is expressed as to the enforceability of any provision that purports to provide for a higher rate of interest after default than before;
 - (viii) no opinion is expressed as to the enforceability of a provision of the Security Documents that provides that the provisions of another document govern in the event of any conflict or inconsistency between the provisions of the other document and such Security Document;
 - (ix) the validity and enforceability of provisions that purport to sever from the Security Document any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument may be subject to the discretion of a court of competent jurisdiction;
 - (x) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;
 - (xi) no opinion is expressed as to the enforceability of any provision that purports to restrict the access to, or waive the benefit of, legal or equitable

rights, remedies or defences, including any right to receive notice (including notice of enforcement) or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;

- (xii) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in the Security Documents;
 - (xiii) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of the Security Documents, or by ARC and the Corporate Guarantors, or by any person on their respective behalf, whether such enforcement involves the operation of the businesses of ARC and the Corporate Guarantors or a sale, transfer or disposition of any of its property or assets;
 - (xiv) no opinion is expressed as to the enforceability of any provision in any of the Security Documents that purports to constitute a receiver or receiver and manager thereunder as agent of ARC and the Corporate Guarantors or absolve a receiver or receiver and manager of responsibility for its acts;
 - (xv) subject to the Discussion, no opinion is expressed as to the enforceability of any provision in any of the Security Documents that purports to grant a security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
 - (xvi) no opinion is expressed as to the enforceability of any provision that contemplates or provides for agreement at a later date;
 - (xvii) no opinion is expressed as to the enforceability of any provision that purports to relieve any party thereto, or its agents, from liability for its own acts;
 - (xviii) no opinion is expressed as to the enforceability of any provision that purports to bind or affect, or confer a benefit upon, persons who are not parties to the Security Documents; and,
 - (xix) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.
3. **Searches:** We have only conducted those searches described in Schedule "C" hereto. Except as set forth therein, we have not conducted any land titles office or other searches with respect to encumbrances against real or immovable property or any interests therein or any statutory lien, court order and the Corporate Registry or other searches, except as set out in Schedule "C" hereto. We have only searched against the names set out in Schedule "C" hereto.
4. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest created by the Security Documents.

5. **Reviewable Transactions:** No opinion is given as to whether any security interest given under the Security Documents constitutes a fraudulent preference or other attackable or reviewable transaction pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any applicable provincial statute and regulation.
6. **Security Interests and A and the Corporate Guarantors:** We express no opinion:
- (a) as to the validity, enforceability, creation, attachment or perfection of a security interest in:
- (i) property consisting of a receivable, licence, approval, privilege, contractual right, franchise, permit or lease (collectively, "**Special Property**") to the extent that the terms of the Special Property, any applicable law or the nature of the businesses of ARC and the Corporate Guarantors prohibit its charging, assignment or hypothecation or require, as a condition of its charging, assignability or hypothecation, a consent, approval or other authorization or ARC and the Corporate Guarantors that has not been made or given;
 - (ii) any collateral to the extent that security agreements or assignments with respect to such collateral are governed by the laws of the Parliament of Canada, including, without limitation, any vessel registered under the *Canada Shipping Act* (Canada), any rolling stock and any trademark, trade name, copyright, industrial design or other intellectual property right, other than patents; pursuant to the Patent Act (Canada);
 - (iii) permits, quotas, licences, privileges, governmental authorizations or other property that are not personal property and that are held by or issued to or in favour of ARC and the Corporate Guarantors;
 - (iv) any interest in a right to damages in tort or at law;
 - (v) any interest in deposits/deposit accounts;
 - (vi) property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of the Ontario PPSA and the *Securities Transfer Act* (Ontario)), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than such Provinces;
 - (vii) property that is now or hereafter becomes a fixture, crop, timber, minerals, petroleum, natural gas or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
 - (viii) property or rights of a nature listed in section 4(1) of the Ontario PPSA; or
 - (ix) property that is Consumer Goods or a Security (as each is defined in the Ontario PPSA);

- (b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in the Province of Ontario; and
 - (c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Security Documents with respect to any property of ARC and the Corporate Guarantors or any proceeds of such property that are not identifiable or traceable.
7. **Specific Collateral:** Any security interests created by the Security Documents in any equipment that is a Motor Vehicle (as defined in the Ontario PPSA) situate in the Province of Ontario have not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder. Accordingly, any hypothecs, security interests and mortgages on such property will be subject to the rights of third parties who at any time acquire and perfect or render opposable to third parties an interest in those assets.
8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by the Security Documents.

SCHEDULE "C"

**LIST OF SEARCHES COMPLETED FOR ARC AND THE CORPORATE
GUARANTORS**

I. CORPORATION SEARCH

A corporation profile report (the "Profile Report") dated August 2, 2016 was obtained for ARC and the Corporate Guarantors from the Ontario Ministry of Government Services. The Profile Report confirmed the following: 364 Richmond Street, Suite # 100. Toronto, Ontario M5V 1X6.

II. PPSA SEARCH

We have reviewed searches obtained against ARC and the Corporate Guarantors from the registry maintained under the Ontario PPSA in order to determine whether ARC and the Corporate Guarantors registrations or filings have been made in connection with the Security Documents.

The following searches, with a file currency date of July 26, 2016, have disclosed the following registrations:

1.	File Number	715715451
	Registration Number	20160415140814624669
	Registration Period	6 years
	Debtor	Arc Productions Ltd.
	Secured Party	Xerox Canada Ltd.
	Collateral Classification	Equipment, Other
	Collateral Description	NONE
	Expiry date	2022 04 15
	Amendments	NONE

2.	File Number	715259682
	Registration Number	20160401132217932549
	Registration Period	4

Debtor	Arc Productions Ltd.
Secured Party	NSF Leasing Canada Ltd., People's United Bank
Collateral Classification	NONE
Collateral Description	<p>NSF Leasing Canada Ltd.: Arc Productions Ltd. Master Lease # 2015-309 Lease Schedule # 7</p> <p>People's United Bank: All equipment and peripherals (collectively "equipment") wherever located, financed under and described in the Master Lease Agreement including any schedule thereto (collectively the "MLA") entered into between lessee and lessor and all of lessee's rights, title and interest in and to use any software and services (collectively "software") financed under and described in the MLA, along with any modifications or supplements to the MLA which are incorporated or evidenced in writing and all substitutions, additions, accessions and replacements to the equipment or software now or hereafter installed in, affixed to, or used in conjunction with the equipment or software and the proceeds thereof together with all payments, insurance proceeds, credits or refunds obtained by lessee from a manufacturer, licensor or service provider, or other proceeds and payments due and to become due and arising from or relating to such Equipment, Software or the MLA. In the event lessee purchases any such equipment or software, then lessee, in accordance with the provisions of the MLA, hereby grants to lessor a first priority security interest in any such equipment or software purchased until such time as lessor receives payment of the full purchase price from lessee.</p>
Expiry date	2020 04 01
Amendments	NONE

3.	File Number	714925548
	Registration Number	20160321153918622229
	Registration Period	7 years
	Debtor	Arc Productions Ltd.
	Secured Party	Actra Performers' Rights Society

	Collateral Classification	Inventory, Equipment, Accounts, Other
	Collateral Description	All present and after acquired personal property pursuant to a security agreement made by the debtor in favour of the secured party in respect of the production currently titled "Kick Productions Actra Performers' Rights Society -Kody Kapow".
	Expiry date	2023 03 21
	Amendments	NONE

4.	File Number	714878496
	Registration Number	20160318140614625932
	Registration Period	6 years
	Debtor	Arc Productions Ltd.
	Secured Party	Xerox Canada Ltd.
	Collateral Classification	Equipment, Other
	Collateral Description	NONE
	Expiry date	2022 03 18
	Amendments	NONE

5.	File Number	714407517
	Registration Number	20160301140114629672
	Registration Period	3 years
	Debtor	Arc Productions Ltd.
	Secured Party	Gould Leasing Ltd.
	Collateral Classification	Equipment
	Collateral Description	Various Cisco equipment and all accessories
	Expiry date	2019 03 01
	Amendments	NONE

6.	File Number	714037293
	Registration Number	20160212142417931259
	Registration Period	4 years
	Debtor	Arc Productions Ltd.
	Secured Party	NFS Leasing Canada Ltd., People's United Bank
	Collateral Classification	Equipment (NFS Leasing Canada Ltd.)
	Collateral Description	<p>NFS Leasing Canada Ltd.: Arc Productions Ltd. Master Lease # 2015-309 Lease Schedule # 6</p> <p>People's United Bank: All equipment and peripherals (collectively "equipment") wherever located, financed under and described in the master lease agreement including any schedule thereto (collectively the "MLA") entered into between lessee and lessor and all of lessee's rights, title and interest in and to use any software and services (collectively "software") financed under and described in the MLA, along with any modifications or supplements to the MLA which are incorporated or evidenced in writing and all substitutions, additions, accessions and replacements to the equipment or software now or hereafter installed in, affixed to, or used in conjunction with the equipment or software and the proceeds thereof together with all payments, insurance proceeds, credits or refunds obtained by lessee from a manufacturer, licensor or service provider, or other proceeds and payments due and to become due and arising from or relating to such equipment, software or the MLA. In the event lessee purchases any such equipment or software, then lessee, in accordance with the provisions of the MLA, hereby grants to lessor a first priority security interest in any such equipment or software purchased until such time as lessor receives payment of the full purchase price from lessee.</p>
	Expiry date	2020 02 12
Amendments	NONE	
7.	File Number	712345059
	Registration Number	20151203143215908685

Registration Period	5 years
Debtor	Arc Productions Ltd.
Secured Party	Grosvenor Park Media Fund LP
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Collateral Description	NONE
Expiry date	2020 12 03
Amendments	One – change address of debtor

8.	File Number	711841086
	Registration Number	20151117122317939242
	Registration Period	4 years
	Debtor	Arc Productions Ltd.
	Secured Party	NFS Leasing Canada Ltd., People's United Bank
	Collateral Classification	Equipment (NFS Leasing Canada Ltd.)
	Collateral Description	<p>NFS Leasing Canada Ltd.: Arc Productions Ltd. Master Lease # 2015-309 Lease Schedule # 5</p> <p>People's United Bank: All equipment and peripherals (collectively "equipment") wherever located, financed under and described in the master lease agreement including any schedule thereto (collectively the "MLA") entered into between lessee and lessor and all of lessee's rights, title and interest in and to use any software and services (collectively "software") financed under and described in the MLA, along with any modifications or supplements to the MLA which are incorporated or evidenced in writing and all substitutions, additions, accessions and replacements to the equipment or software now or hereafter installed in, affixed to, or used in conjunction with the equipment or software and the proceeds thereof together with all payments, insurance proceeds, credits or refunds obtained by lessee from a manufacturer, licensor or service provider, or other proceeds and payments due and to become due and</p>

	arising from or relating to such equipment, software or the MLA. In the event lessee purchases any such equipment or software, then lessee, in accordance with the provisions of the MLA, hereby grants to lessor a first priority security interest in any such equipment or software purchased until such time as lessor receives payment of the full purchase price from lessee.
Expiry date	2019 11 17
Amendments	NONE

9.	File Number	709492599
	Registration Number	20150831163317937315
	Registration Period	4 years
	Debtor	Arc Productions Ltd.
	Secured Party	NFS Leasing Canada Ltd., People's United Bank
	Collateral Classification	Equipment (NFS Leasing Canada)
	Collateral Description	<p>NFS Leasing Canada Ltd.: Arc Productions Ltd. Master Lease # 2015-309 Lease Schedule # 3</p> <p>People's United Bank: All equipment and peripherals (collectively "equipment") wherever located, financed under and described in the master lease agreement including any schedule thereto (collectively the "MLA") entered into between lessee and lessor and all of lessee's rights, title and interest in and to use any software and services (collectively "software") financed under and described in the MLA, along with any modifications or supplements to the MLA which are incorporated or evidenced in writing and all substitutions, additions, accessions and replacements to the equipment or software now or hereafter installed in, affixed to, or used in conjunction with the equipment or software and the proceeds thereof together with all payments, insurance proceeds, credits or refunds obtained by lessee from a manufacturer, licensor or service provider, or other proceeds and payments due and to become due and arising from or relating to such equipment, software or the MLA. In the event lessee purchases any such equipment or software, then lessee, in accordance with the provisions of the MLA, hereby grants to lessor a first priority security interest in any such equipment or</p>

		software purchased until such time as lessor receives payment of the full purchase price from lessee.
	Expiry date	2019 08 31
	Amendments	NONE

10.	File Number	709492635
	Registration Number	20150831163517937316
	Registration Period	4 years
	Debtor	Arc Productions Ltd.
	Secured Party	NFS Leasing Canada Ltd., People's United Bank
	Collateral Classification	Equipment (NFS Leasing Canada Ltd.)
	Collateral Description	<p>NFS Leasing Canada Ltd.: Arc Productions Ltd. Master Lease # 2015-309 Lease Schedule # 4</p> <p>People's United Bank: All equipment and peripherals (collectively "equipment") wherever located, financed under and described in the master lease agreement including any schedule thereto (collectively the "MLA") entered into between lessee and lessor and all of lessee's rights, title and interest in and to use any software and services (collectively "software") financed under and described in the MLA, along with any modifications or supplements to the MLA which are incorporated or evidenced in writing and all substitutions, additions, accessions and replacements to the equipment or software now or hereafter installed in, affixed to, or used in conjunction with the equipment or software and the proceeds thereof together with all payments, insurance proceeds, credits or refunds obtained by lessee from a manufacturer, licensor or service provider, or other proceeds and payments due and to become due and arising from or relating to such equipment, software or the MLA. In the event lessee purchases any such equipment or software, then lessee, in accordance with the provisions of the MLA, hereby grants to lessor a first priority security interest in any such equipment or software purchased until such time as lessor receives payment of the full purchase price from lessee.</p>
	Expiry date	2019 08 31

	Amendments	NONE
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11.	File Number	708746031
	Registration Number	20150806113617936749
	Registration Period	4 years
	Debtor	Arc Productions Ltd.
	Secured Party	NFS Leasing Canada Ltd., People's United Bank
	Collateral Classification	Equipment (NFS Leasing Canada Ltd.)
	Collateral Description	<p>NFS Leasing Canada Ltd.: Arc Productions Ltd. Master Lease # 2015-309 Lease Schedule # 2</p> <p>People's United Bank: All equipment and peripherals (collectively "equipment") wherever located, financed under and described in the master lease agreement including any schedule thereto (collectively the "MLA") entered into between lessee and lessor and all of lessee's rights, title and interest in and to use any software and services (collectively "software") financed under and described in the MA, along with any modifications or supplements to the MLA which are incorporated or evidenced in writing and all substitutions, additions, accessions and replacements to the equipment or software now or hereafter installed in, affixed to, or used in conjunction with the equipment or software and the proceeds thereof together with all payments, insurance proceeds, credits or refunds obtained by lessee from a manufacturer, licensor or service provider, or other proceeds and payments due and to become due and arising from or relating to such equipment, software or the MLA. In the event lessee purchases any such equipment or software, then lessee, in accordance with the provisions of the MLA, hereby grants to lessor a first priority security interest in any such equipment or software purchased until such time as lessor receives payment of the full purchase price from lessee.</p>
	Expiry date	2019 08 06
Amendments	NONE	

12.	File Number	708152967
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Registration Number	20150717170017936364
Registration Period	4 years
Debtor	Arc Productions Ltd.
Secured Party	NFS Leasing Canada Ltd., People's United Bank
Collateral Classification	Equipment (NFS Leasing Canada Ltd.)
Collateral Description	<p>NFS Leasing Canada Ltd.: Arc Productions ltd. Master Lease # 2015-309 Lease Schedule # 1</p> <p>People's United Bank: All equipment and peripherals (collectively "equipment") wherever located, financed under and described in the master lease agreement including any schedule thereto (collectively the "MLA") entered into between lessee and lessor and all of lessee's rights, title and interest in and to use any software and services (collectively "software") financed under and described in the MLA, along with any modifications or supplements to the MLA which are incorporated or evidenced in writing and all substitutions, additions, accessions and replacements to the equipment or software now or hereafter installed in, affixed to, or used in conjunction with the equipment or software and the proceeds thereof together with all payments, insurance proceeds, credits or refunds obtained by lessee from a manufacturer, licensor or service provider, or other proceeds and payments due and to become due and arising from or relating to such equipment, software or the MLA. In the event lessee purchases any such equipment or software, then lessee, in accordance with the provisions of the MLA, hereby grants to lessor a first priority security interest in any such equipment or software purchased until such time as lessor receives payment of the full purchase price from lessee.</p>
Expiry date	2019 07 17
Amendments	NONE

13.	File Number	707875875
	Registration Number	20150709104315291894
	Registration Period	5 years

	Debtor	Arc Productions Ltd.
	Secured Party	Royal Bank of Canada
	Collateral Classification	Accounts, Other
	Collateral Description	NONE
	Expiry date	2020 07 09
	Amendments	NONE

14.	File Number	707564529
	Registration Number	20150629170714626268
	Registration Period	6 years
	Debtor	Arc Productions Ltd.
	Secured Party	Xerox Canada Ltd.
	Collateral Classification	Equipment, Other
	Collateral Description	NONE
	Expiry date	2021 06 29
	Amendments	NONE

15.	File Number	707502348
	Registration Number	20150626140614625624
	Registration Period	6 years
	Debtor	Arc Productions Ltd.
	Secured Party	Xerox Canada Ltd.
	Collateral Classification	Equipment, Other
	Collateral Description	NONE
	Expiry date	2021 06 26
	Amendments	NONE

16.	File Number	700343604
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	Registration Number	20141002102918622013
	Registration Period	5 years
	Debtor	Arc Productions Ltd.
	Secured Party	The Geoffrey Browne Family Trust, John P. Barrington
	Collateral Classification	For the Geoffrey Browne Family Trust: Inventory, Equipment, Accounts, Other
	Collateral Description	NONE
	Expiry date	2019 10 02
	Amendments	One - to correct wrong spelling for secured party name

17.	File Number	694626345
	Registration Number	2014032417934204
	Registration Period	5 years
	Debtor	Arc Productions Ltd.
	Secured Party	Callidus Capital Corporation
	Collateral Classification	Accounts, Other
	Collateral Description	Security granted pursuant to a cash collateral pledge agreement dated on or about December 11, 2015 made by the debtor in favour of the secured party with respect to cash collateral held in the amount of \$20,000.
	Expiry date	2019 03 24
	Amendments	Two - to amend secured party's address, and to amend the collateral classification to cover "accounts" and "other" only and to include a general collateral description.

18.	File Number	688192776
	Registration Number	20130628141915903302
	Registration Period	5 years
	Debtor	Arc Productions Ltd.
	Secured Party	BK2BRAC Holdings Inc.

	Collateral Classification	Inventory, Equipment, Accounts, Other
	Collateral Description	NONE
	Expiry date	2018 06 28
	Amendments	NONE

19.	File Number	679316706
	Registration Number	20120620100314628995
	Registration Period	6 years
	Debtor	Arc Productions Ltd.
	Secured Party	Xerox Canada Ltd.
	Collateral Classification	Equipment, Other
	Collateral Description	NONE
	Expiry date	2018 06 20
	Amendments	NONE

20.	File Number	668677194
	Registration Number	20110330145080777688
	Registration Period	25 years
	Debtor	Starz Media Canada Limited, Arc Productions Ltd.
	Secured Party	Hewlett- Packard Financial Services Canada Company
	Collateral Classification	Equipment, Other
	Collateral Description	Master Lease. Any and all equipment, tangible and intangible, leased pursuant to schedules under Master Lease Agreement No. 4042663217 and any proceeds therefrom.
	Expiry date	2036 03 30
	Amendments	One – addition of debtor

The following searches, with a file currency date of July 27, 2016, have disclosed the following registrations:

21.	File Number	700343451
	Registration Number	20141002102018622010
	Registration Period	5 years
	Debtor	Arc Holdings Inc.
	Secured Party	The Geoffrey Browne Family Trust, John P. Barrington
	Collateral Classification	Inventory, equipment, accounts, other
	Collateral Description	NONE
	Expiry date	2019 10 02
	Amendments	One - To correct spelling of secured party name

22.	File Number	712345401
	Registration Number	20151203143815908699
	Registration Period	5 years
	Debtor	Arc Holdings Inc.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Accounts, Other
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

23.	File Number	714407517
	Registration Number	20160301140114629672
	Registration Period	3 years

	Debtor	Arc Holdings Inc.
	Secured Party	Gould Leasing Ltd.
	Collateral Classification	Equipment
	Collateral Description	Various Cisco equipment and all accessories
	Expiry date	2019 03 01
	Amendments	NONE

24.	File Number	607714245
	Registration Number	20040728152318629357
	Registration Period	5 years
	Debtor	Arc Investments Ltd.
	Secured Party	A.O.C. Holdings Inc.
	Collateral Classification	Inventory, Equipment, Accounts, Other
	Collateral Description	General Security Agreement
	Expiry date	Original expiry: 2019 07 28
	Amendments	Two: - to correct spelling of secured party name -to renew registration for 10 years

25.	File Number	700296516
	Registration Number	20141001104918621872
	Registration Period	5 years
	Debtor	Arc Investments Ltd.
	Secured Party	The Geoffrey Browne Family Trust, John P. Barrington
	Collateral Classification	Inventory, Equipment, Accounts, Other
	Collateral Description	NONE
	Expiry date	2019 10 01
	Amendments	NONE

26.	File Number	712345419
	Registration Number	20151203143815908700
	Registration Period	5 years
	Debtor	Arc Investments Ltd.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Accounts, Other
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

27.	File Number	712345347
	Registration Number	20151203143615908694
	Registration Period	5 years
	Debtor	Arc/Dark Crystal Productions Inc.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

28.	File Number	712345077
	Registration Number	20151203143215908686
	Registration Period	5 years
	Debtor	Kick Productions Ltd.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle

		Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

29.	File Number	712345095
	Registration Number	20151203143315908687
	Registration Period	5 years
	Debtor	In the Jungle Productions Inc.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

30.	File Number	712345104
	Registration Number	20151203143315908688
	Registration Period	5 years
	Debtor	TF I Productions Inc.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

31.	File Number	712345113
	Registration Number	20151203143415908689

	Registration Period	5 years
	Debtor	BL II Productions Inc.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

32.	File Number	712345131
	Registration Number	20151203143415908690
	Registration Period	5 years
	Debtor	Arcadia Productions Ltd.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

33.	File Number	712345239
	Registration Number	20151203143515908692
	Registration Period	5 years
	Debtor	Eggs Ltd.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03

	Amendments	NONE
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34.	File Number	712345302
	Registration Number	20151203143515908693
	Registration Period	5 years
	Debtor	Princess Productions Inc.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

35.	File Number	712345365
	Registration Number	20151203143615908695
	Registration Period	5 years
	Debtor	Underzoo Productions Ltd.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

36.	File Number	712345374
	Registration Number	20151203143615908696
	Registration Period	5 years
	Debtor	Hole in the Belly Productions Ltd.
	Secured Party	Grosvenor Park Media Fund LP

	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

37.	File Number	712345383
	Registration Number	20151203143715908697
	Registration Period	5 years
	Debtor	Sir Simon Production Ltd.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
	Collateral Description	NONE
	Expiry date	2020 12 03
	Amendments	NONE

38.	File Number	716295231
	Registration Number	20160504084915908374
	Registration Period	5 years
	Debtor	Samurai Productions Ltd.
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Inventory, Equipment, Accounts, Other
	Collateral Description	NONE
	Expiry date	2021 05 04
	Amendments	NONE

39.	File Number	716295285
	Registration Number	20160504085215908377

	Registration Period	5 years
	Debtor	Kallen Kagan
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Accounts, Other
	Collateral Description	Assignment of and security interest in the debtor's shares in the capital stock of Arc Investments Ltd. as set out in a Securities Pledge Agreement executed by the debtor in favour of the secured
	Expiry date	2021 05 04
	Amendments	One- to correct spelling of debtor's first name

40.	File Number	716295249
	Registration Number	20160504084915908375
	Registration Period	5 years
	Debtor	Peter A Kozik, Piotr A. Kozik
	Secured Party	Grosvenor Park Media Fund LP
	Collateral Classification	Accounts, Other
	Collateral Description	Assignment of and security interest in the debtor's shares in the capital stock of Arc Investments Ltd. as set out in a Securities Pledge Agreement executed by the debtor in favour of the secured
	Expiry date	2021 05 04
	Amendments	NONE

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**FOURTH REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.**
(December 5, 2016)

APPENDIX "B"

In the matter of the receivership of Arc Productions Ltd.**Estimated liabilities as at August 2, 2016**

(unaudited)

(all amounts in CAD)

Secured Creditors

Grosvenor Park Media Fund LP	\$ 39,992,073
Other	2,259,507
Total Secured Debt	<u>\$ 42,251,580</u>

Unsecured Creditors

Employees (before WEPP entitlements)	17,210,362
364 Richmond Street West Inc.	unknown
1302207 Ontario Limited	unknown
Scalar Decisions Inc.	1,575,282
Canada Revenue Agency (unremitted employee source deductions)	1,429,865
Canada Revenue Agency (GST/HST)	678,422
Video House Ltd.	366,450
FCI Tech	204,033
PricewaterhouseCoopers LLC	167,678
DGNJ Inc c/o SAG A	146,036
CDW Canada Inc	136,827
Beanfield	131,243
DISCREET	106,682
Other	1,512,021
Total Unsecured Debt	<u>\$23,664,901</u>

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**FOURTH REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.**
(December 5, 2016)

APPENDIX "C"

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 30, 2016

Description	Amount	Notes
Receipts		
Cash on hand and sale proceeds- CAD\$	\$ 1,838,764	
Cash on hand - USD\$	278,902	1
Administration of asset transfers and occupancy cost recoveries	79,070	2
Total actual receipts	<u>2,196,736</u>	
Disbursements		
Receiver's fees	396,132	4
Receiver's legal counsel fees	114,380	4
Contract employees and third party professionals	191,132	3
Operating expense	177,874	5
Occupation rent	155,990	
Tax credits filing/application fees	50,087	
HST paid post-receivership	122,559	
Utilities	22,063	
Miscellaneous disbursements	1,472	
Official receiver filing fee	140	
Total actual disbursements	<u>1,231,830</u>	
Excess of Receipts over Disbursements	<u><u>\$ 964,907</u></u>	

Notes:

- 1 This amount is translated at an exchange rate of 1.3.
- 2 Reimbursement of costs by Arc customers.
- 3 The Receiver contracted certain former Arc employees to assist with records of employment, Wage Earner Protection Program, T4s, tax credit administration, computer systems backup.
- 4 Includes four interim billings of the Receiver and its legal counsel.
- 5 Paid to Scalar Decisions Inc. for rendering and storage services, HP and NFS for leasing of computer and related equipment.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**FOURTH REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.**
(December 5, 2016)

APPENDIX "D"

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

GROSVENOR PARK MEDIA FUND L.P.

Plaintiff

- and -

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

Defendants

**AFFIDAVIT OF PAUL M. CASEY
(Sworn December 5, 2016)**

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


1. I am a Senior Vice-President of Deloitte Restructuring Inc. ("**Deloitte**"), the Court appointed Receiver in these proceedings (the "**Receiver**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. Deloitte was appointed as Interim Receiver pursuant to the Fresh As Amended Interim Receivership Order granted by the Honourable Mr. Justice Penny originally dated Friday, July 29, 2016 and amended Tuesday, August 2, 2016 (the "Interim Receivership Order"). On Wednesday, August 10, 2016, Deloitte was appointed as Receiver by order of the Honourable Mr. Justice Penny.

3. Attached hereto and marked as Exhibit "A" is a copy of the fifth, sixth and seventh interim invoices rendered by the Receiver in respect of the weekly periods from August 27, 2016 to October 31, 2016. 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 Receiver in these proceedings), disbursements and HST charged by Deloitte in these proceedings.

4. Attached hereto and marked as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice. The Receiver expended a total of 415.9 hours in connection with this matter during the period from August 27, 2016 to October 31, 2016, giving rise to fees and disbursements totalling \$190,350.77, including HST.


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

SWORN before me in the City of Toronto,
in the Province of Ontario, on this 5th day
of December, 2016.



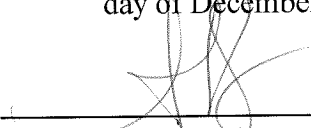
A Commissioner for taking affidavits
Name:

*Anna Koroneos, a Commissioner, ctc.
Province of Ontario
for Deloitte Restructuring Inc.
Licensed Insolvency Trustee
Expires June 3, 2019.*



PAUL M. CASEY

This is Exhibit "A" referred to in the
affidavit of Paul M. Casey
sworn before me, this 5th
day of December, 2016.



A Commissioner for Taking Affidavits

**Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte Restructuring Inc.,
Licensed Insolvency Trustee,
Expires June 3, 2019.**



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

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Privileged and Confidential

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

Date: September 7, 2016
Invoice No: **4161974**
Client/Mandate No: 850135.1000009
Billing Partner: Paul Casey
HST Registration No: 122893605

Invoice #5

For professional services rendered by Deloitte Restructuring Inc. as Court-appointed Receiver of Arc Productions Ltd. ("Arc" or the "Company") for the period from August 27 to September 2, 2016

Date	Professional	Description	Hours
8/26/2016	Casey, Paul M	Review update email to GP and instructions Leung.	0.2
8/28/2016	Brown, Rose M	Proofs of Claim ("POC") administration.	0.5
8/29/2016	Brown, Rose M	Trust Banking - Disbursement cheque, PDF POC for WEPPA claims.	2.3
8/29/2016	Casey, Paul M	Meeting Leung re updated estimated realization schedule; WEPP inquiries; Third Report outline and Exhibits.	2.0
8/29/2016	Chu, Jonathan Matthew	Entered WEPPA claims onto Service Canada website; Organized File Descriptions; Sent mail to former employee; Calculated employee payout for Deloitte contractors.	3.0
8/29/2016	Cotton, John	On site data preservation; in lab data expansion.	2.0
8/29/2016	Liu, Samson	I.T. Management/Support re various productions.	1.0
8/29/2016	Page, Graham	Arc WEPPA claims and process including emails, phone conversations and correspondence with employees.	3.5
8/29/2016	Taylor, Jay	Employee inquiries with Service Canada; Tax credit management with tax consultants, call with Andrew K and Joe W; employee mail pick up communication and facilitation; estate correspondence and other administration.	5.1
8/29/2016	Leung, Warren	Correspondence with vendors; correspondence with creditors; correspondence with counsel on various matters; preparation of receiver's accounts; correspondence with LEGO re transfer of assets.	5.5
8/30/2016	Brown, Rose M	Faxing letter to CRA for WL and file POC.	0.5
8/30/2016	Casey, Paul M	Emails counsel re various and lease assignment; account correspondence; R&D presentation.	1.0
8/30/2016	Chu, Jonathan Matthew	Entered WEPPA Claims; Documented pay receipt for ex-employees; Locate physical files for specific inquiries.	4.5

Date	Professional	Description	Hours
8/30/2016	Cotton, John	Digital property management.	0.5
8/30/2016	Koroneos, Anna	With G. Page on employee and Service Canada mail; with Martin, former employee re: disallowance and forward to G. Page; searches on directors - PPSA and land titles; forward findings via email to P. Casey.	1.5
8/30/2016	Leung, Warren	Correspondence with property manager re rent payment; drafting update to secured creditor; correspondence with CRA; review of D&O obligations.	3.5
8/30/2016	Liu, Samson	I.T. management.	0.5
8/30/2016	Page, Graham	Arc WEPPA claims and process including emails, phone conversations and correspondence with employees.	2.5
8/30/2016	Taylor, Jay	ROE inquiries with Service Canada for income fields and hours; employee inquiries regarding next steps for WEPP, Update e-mail to Brad and Team; Blazing Samurai Facilitation of credits.	7.4
8/31/2016	Brown, Rose M	Trust Banking - Disbursement cheques and filing of POCs.	1.2
8/31/2016	Casey, Paul M	Meeting Don Starr re status of receivership and other matters; Mtgs team re various; lease disclaimers for JFET; tax admin update with Taylor.	3.5
8/31/2016	Chu, Jonathan Matthew	Entered WEPPA claims for employees; Documented rejections and acceptances of WEPPAs; Located physical and electronic file for specific inquiry.	3.0
8/31/2016	Cotton, John	On site preservation of final Lego Marvel files.	1.5
8/31/2016	Leung, Warren	Drafting third report of receiver; correspondence with vendors and creditors; correspondence with counsel re Disney and other matters; correspondence with property manager re rent payment; status update with team and supervision.	6.0
8/31/2016	Page, Graham	Arc WEPPA claims and process including emails, phone conversations and correspondence with employees.	2.5
8/31/2016	Taylor, Jay	Tax credit facilitation with KWCA and Joe W, call with Global Incentives Inc., ROE inquiries with Service Canada for income fields and hours.	4.3
9/1/2016	Bryk, Adam A	QA review of the 3rd Report of the Receiver.	0.7
9/1/2016	Casey, Paul M	Review and edit Receiver's Third Report, compile Exhibits; discussions with team and counsel; issue draft; tax credit and insurance matters.	4.0
9/1/2016	Chu, Jonathan Matthew	Entered WEPPA Claims; Mailed WEPPA claims to employees who demanded it; Recorded acceptances and rejections of claims.	3.5
9/1/2016	Cotton, John	Digital property management.	2.5
9/1/2016	Koroneos, Anna	With J. Taylor on ROEs; with service Canada on employee claim and with G. Page on same; commission affidavit of fees.	0.5
9/1/2016	Leung, Warren	Updating third report of receiver; drafting fee affidavit; correspondence with LEGO re transfer of assets; status update with team and supervision.	3.0
9/1/2016	Page, Graham	Arc WEPPA claims and process including emails, phone conversations and correspondence with employees.	2.5
9/1/2016	Taylor, Jay	Demand letter for return of loaned assets, JDH, RC, WEPP questions from employees; Drafting of agreement for tax credit facilitation and extraction for Blazing; Arc audit facilitation of HST and Payroll Source Deductions facilitation.	4.5
9/2/2016	Brown, Rose M	Website page updates.	0.6
9/2/2016	Brown, Rose M	Print out two letter received from JT and prepare two forms for sending register mail and take to the mailroom to send out.	0.6
9/2/2016	Bryk, Adam A	Review of comments and changes on 3rd Report of the Receiver.	0.2

Date	Professional	Description	Hours
9/2/2016	Casey, Paul M	Compile comments on Receiver's Third Report; emails with counsel and team; finalize report; web posting instructions.	2.0
9/2/2016	Chu, Jonathan Matthew	Entered WEPPA claims; Looked at previous correspondence to determine recipient of package.	0.5
9/2/2016	Cotton, John	Digital property management.	1.5
9/2/2016	Koroneos, Anna	With CRA payroll auditor on status; review email from J. Taylor on records; with P. Casey on audit updates and director's liabilities.	0.6
9/2/2016	Taylor, Jay	Review of OCASE applications and labour cost schedules to ensure the numbers agree with application; Discussion with Eugenea on HST spreadsheets; ROE inquiries with Service Canada for income fields and hours; providing RC-59 forms to CRA auditor.	4.4
Total Hours			100.6

Summary of Fees

Professionals	Position	Rate	Hours	Amount
Casey, Paul M	Partner	585	12.7	\$7,429.50
Bryk, Adam A	Partner	585	0.9	526.50
Koroneos, Anna	Senior Manager	455	2.6	1,183.00
Leung, Warren	Senior Manager	455	18.0	8,190.00
Liu, Samson	Manager, I.T.	375	1.5	562.50
Page, Graham	Manager	375	11.0	4,125.00
Taylor, Jay	Senior	290	25.7	7,453.00
Cotton, John	Senior, I.T.	290	8.0	2,320.00
Chu, Jonathan Matthew	Analyst	225	14.5	3,262.50
Brown, Rose M	Administrator	105	5.7	598.50
			100.6	\$35,650.50
Add: Administration Fee				2,495.54
Add: Disbursements				503.70
Total Fees				\$38,649.74
HST on fees and disbursements @ 13%				5,024.47
Total Payable				\$43,674.21

Remittance information on last page

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.



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

Date: October 5, 2016
Invoice No: **4180846**
Client/Mandate No: 850135.1000009
Billing Partner: Paul Casey
HST Registration No: 133245290

Invoice #6

For professional services rendered by Deloitte Restructuring Inc. as Court-appointed Receiver of Arc Productions Ltd. ("Arc" or the "Company") for the period from September 3 to September 30, 2016.

Date	Professional	Description	Hours
9/6/2016	Brown, Rose M	Trust Banking Administration - Disbursement cheques.	0.5
9/6/2016	Casey, Paul M	Prep and attend at Superior Court of Justice for landlord lease assignment motion; follow up instructions Leung; web posting; review and sign contractor cheques; review JFET invoice for lease/occupancy costs; Mtg Tailor re OCASE application and support; instructions re follow up with Kay on open points; review analysis and email to counsel re taxation; Emails Koroneos re GP search requests.	3.5
9/6/2016	Chu, Jonathan Matthew	Preparation of statement of accounts.	2.0
9/6/2016	Chu, Jonathan Matthew	Entered WEPPA Claims; Documented approval and rejections.	2.5
9/6/2016	Cotton, John	I.T. - Evidence Management.	5.0
9/6/2016	Leung, Warren	Attend Court; correspondence with insurance brokers re cancellation; correspondence with CRA re HST audit and payroll audit; preparation of counterparty cost schedule, follow-up re outstanding AR; correspondence with LEGO re transfer of digital property.	5.8
9/6/2016	Page, Graham	WEPP processing, WEPP phone calls and emails.	2.0
9/6/2016	Taylor, Jay	Demand letter (coordination) with employees in recovering equipment; preparation of statement of accounts; tax credit coordination work with KWCA.	3.5
9/7/2016	Brown, Rose M	Trust Banking Administration - Disbursement	0.4

Date	Professional	Description	Hours
		cheques.	
9/7/2016	Casey, Paul M	Execute release re Scalar for Stikeman/JFET; emails re landlord request for assignment, vesting order; account correspondence; D&O search and meeting Koroneos; email Goodman's; insurance matters; discussions with Leung; calculate statutory liabilities and emails to counsel; review Disney agreement and comment.	3.0
9/7/2016	Chu, Jonathan Matthew	Entered WEPPA Claims; Coordinated the delivery of Iron Mountain boxes to Michelle.	1.0
9/7/2016	Cotton, John	I.T. - Evidence management.	4.0
9/7/2016	Delgado, Magdalena	Email analysis.	1.0
9/7/2016	Koroneos, Anna	Review of searches; with P. Casey	1.5
9/7/2016	Leung, Warren	Correspondence with legal counsel of Mass Animation re tax credits; review of tax credits agreement for Mass; meeting with contractors re HST and tax credits; correspondence with insurance broker re cancellation and D&O/E&O policies; correspondence with vendors re stay of proceedings.	4.5
9/7/2016	Liu, Samson	I.T. Management.	0.5
9/7/2016	Page, Graham	WEPPA claims, phone calls and emails; Discussions with CRA regarding employees.	2.0
9/7/2016	Taylor, Jay	Demand letter (coordination) with employees in recovering equipment; Drafting facilitation agreement with Mass animation; Iron Mountain retrieval coordination; Review of OCASE applications with PC and WL.	5.0
9/8/2016	Brown, Rose M	Estate Administration - sent out faxes to CRA - HST back up.	0.5
9/8/2016	Casey, Paul M	Attend meeting at Goodman's with counsel to discuss statutory priority claims; D&O, email info request list to team and review responses; meeting Koroneos re vacation pay liability; WEPP entitlements; emails GP and Goodman's.	3.5
9/8/2016	Chu, Jonathan Matthew	Forensic work on email.	2.5
9/8/2016	Chu, Jonathan Matthew	Entered WEPPA Claims.	0.3
9/8/2016	Cotton, John	Analysis into preserved data.	0.5
9/8/2016	Delgado, Magdalena	Email analysis.	0.5
9/8/2016	Koroneos, Anna	With P. Casey on CRA discussion and edit email; review vacation calculations provided by G. Page; review of email on PIN from P. Casey and respond re: same Kozik property; review of email from W. Leung and respond; with P. Casey on vacation outstanding post WEPP; work on schedule and compilations of same re: non full payment of wages; etc.; discussion on same and forward; review of email from J. Latham of Goodman's.	4.2

Date	Professional	Description	Hours
9/8/2016	Leung, Warren	Meeting with Goodman's to discuss priority payables; drafting GST/HST liability analysis; correspondence with CRA re HST liability; supervising team, correspondence with creditors.	5.2
9/8/2016	Liu, Samson	I.T. Management.	0.5
9/8/2016	Page, Graham	WEPPA related activities. Responding to emails and phone calls.	1.5
9/8/2016	Taylor, Jay	Response to Hatney on Rogers' employees; coordination with Naman Chopra at Rogers; OMDC cover letter to accompany cheque; E-mail review.	5.4
9/9/2016	Chu, Jonathan Matthew	Entered WEPPA Claims; Forensic work on file.	2.0
9/9/2016	Cotton, John	On site data preservation.	1.0
9/9/2016	Delgado, Magdalena	E-mail analysis.	1.5
9/9/2016	Delgado, Magdalena	E-mail analysis.	0.5
9/9/2016	Leung, Warren	Meeting with tax credits team to discuss status and going forward plans; drafting analysis on GST/HST liability; supervising team; responding to employee representative counsel.	2.0
9/9/2016	Liu, Samson	I.T. Management.	0.5
9/9/2016	Page, Graham	Weppa related emails.	0.5
9/9/2016	Taylor, Jay	E-mail inspection; status update meeting at KWCA to discuss next steps for transitioning information due to conflicting schedules.	3.5
9/12/2016	Casey, Paul M	Emails re Disney; team re tax recovery work and review responses from Taylor etc.	0.5
9/12/2016	Chu, Jonathan Matthew	Entered WEPPA Claims; Calculated Payouts for ARC Contractors; Documented acceptances and rejections of WEPPA claims.	2.5
9/12/2016	Cotton, John	Transfer and delivery of requested data.	1.0
9/12/2016	Leung, Warren	Correspondence with CRA re GST/HST; correspondence with creditors, file administration; discussions with team re tax credits.	2.6
9/12/2016	Liu, Samson	I.T. Management.	1.0
9/12/2016	Page, Graham	WEPPA Phone Calls.	0.5
9/12/2016	Taylor, Jay	Tax credit facilitation and update to GP.	1.6
9/13/2016	Brown, Rose M	Trust Banking Administration - Disbursement cheques; Confirm incoming wire rec'd from Lego.	0.6
9/13/2016	Casey, Paul M	Update TC Brad Sherman, Account correspondence; Emails re GST/HST liabilities.	1.0
9/13/2016	Chu, Jonathan Matthew	Set up of Iron Mountain delivery; Correspondence with ARC contractors for time sheets.	1.3
9/13/2016	Koroneos, Anna	Review of mail from CRA on HST adjustments and Steven Hecht's eligibility; summarize for team.	0.4
9/13/2016	Leung, Warren	Correspondence with LEGO re asset retrieval; correspondence with creditors; team management; call with CRA to arrange trust examination.	2.5
9/13/2016	Liu, Samson	Arc - Engagement Management; Analysis.	1.0
9/13/2016	Page, Graham	WEPPA phone calls. Responding to employee	1.0

Date	Professional	Description	Hours
		emails.	
9/13/2016	Taylor, Jay	Tax Credit facilitation matters.	1.0
9/14/2016	Casey, Paul M	TC Derrick Novis; Emails Leung.	0.5
9/14/2016	Chu, Jonathan Matthew	Entered WEPPA claims, both physical and electronic.	1.0
9/14/2016	Koroneos, Anna	With G. Page, with R. Brown and J. Chu on Service Canada letters; entry and updates to ascend program on employee amounts; review of mail.	1.0
9/14/2016	Leung, Warren	Correspondence with JFET legal counsel re counterparty costs; TC with Rogers re phones; correspondence with HUB re insurance; correspondence with CRA re HST liability.	2.8
9/14/2016	Liu, Samson	I.T. Management re LEGO.	1.0
9/15/2016	Brown, Rose M	Trust Banking Administration - Deposit & disbursement cheque.	0.5
9/15/2016	Casey, Paul M	Mtg Leung re updated report for BofA; Review Disney Tax Credit Agreement and discuss with Leung; Review and execute Disney digital destruction agreement.	1.0
9/15/2016	Koroneos, Anna	Review of Service Canada mail; review of schedule; with R. Brown and J. Chu on entries; enter each individual amount for 85% paid employees; cross reference with disallowance letters and discussion on entries for ascend with R. Brown (over 400 letters).	7.5
9/15/2016	Leung, Warren	Review of tax credit facilitation agreement with Mass Animation; review of form of release with Sony re Star; coordination of destruction of Disney assets; correspondence with CRA re GST/HST liability; draft update to GP.	4.5
9/15/2016	Page, Graham	WEPPA phone calls and emails.	0.9
9/16/2016	Brown, Rose M	Trust Banking Administration - disbursement cheques, general Adm. and Update Website page.	1.3
9/16/2016	Chu, Jonathan Matthew	Documentation of boxes at ARC storage facilities; Fill in forms to register with Iron Mountain; Updated Iron Mountain reference sheet.	4.0
9/16/2016	Koroneos, Anna	Continue entry of S. Canada letters and new letters; TC with Service Canada (Sara) on names that do not correspond with listing; cross reference disallowance letters for removal 85% paid.	4.5
9/16/2016	Leung, Warren	Court attendance re lease assignment and approval of fees and activities; meeting with P. Casey re same; update SRD and collateral analysis.	2.0
9/16/2016	Page, Graham	WEPPA phone calls and emails.	2.0
9/16/2016	Taylor, Jay	All City Storage visit and tagging and inventorying boxes for Iron Mountain pickup.	3.0
9/19/2016	Brown, Rose M	Scanning & filing of POC for employee Wepp Claims.	5.0

Date	Professional	Description	Hours
9/19/2016	Casey, Paul M	Detailed review and update ERV schedule, discussion Leung; edit and issue email to BoA, GP and Sherman; D&O insurance premium.	2.0
9/19/2016	Chu, Jonathan Matthew	Entered physical and electronic WEPPA claims; Calculated Payouts for ARC Contractors; Communicated with employee for mail.	3.5
9/19/2016	Koroneos, Anna	Review of email from P. Casey on potential realizations and priority payments; with R. Brown on entered WEPP information for Ascend; with G. Page on new schedule to use and detailed information entered.	1.0
9/19/2016	Koroneos, Anna	With J. Sagerra on new SIN and WEPP review and send POC, file with SC and report to team.	0.5
9/19/2016	Leung, Warren	Revise communication to secured lenders; revise tax credits facilitation agreement; communication with insurers; communication with suppliers re stay of proceedings; update call with contractor re tax credits administration.	4.0
9/19/2016	Page, Graham	Weppa Emails and phone calls.	0.6
9/19/2016	Taylor, Jay	Discussion with MA, KWCA on status; Potential priority claims e-mail drafting.	1.5
9/20/2016	Brown, Rose M	Trust Banking Administration - disbursement cheques - Contract workers & expenses.	2.7
9/20/2016	Casey, Paul M	Review and amend Tax Credit facilitation agreement with Mass re Blazing; Mtg Leung re occupancy costs and JFET invoice; review lease assignment acknowledgement from Stikemans; follow up re JFET amounts owing; emails counsel; sign estate cheques for contractors and Scalar.	2.1
9/20/2016	Chu, Jonathan Matthew	Enter WEPPA claims and document acceptances and rejections.	0.8
9/20/2016	Delgado, Magdalena	Email analysis.	0.5
9/20/2016	Koroneos, Anna	Review of mail from Service Canada received; review of v/m from Sara of Service Canada re: Mark Ng and formal name for processing; forward mail to staff for entry.	0.5
9/20/2016	Leung, Warren	Meeting with CRA re payroll tax audit; correspondence with CRA re GST/HST liability; revise counterparty cost invoice to JFET; call with tax credit consultants re Disney and EOA application; call with Icon Creative re same; review of Scalar invoices.	4.5
9/20/2016	Page, Graham	Weppa Emails and phone calls.	0.7
9/20/2016	Taylor, Jay	Tax Credit administration work and status update; Icon Creative discussion and CAVCO applications	1.5
9/21/2016	Brown, Rose M	Inputting proofs of claims into Ascend.	1.3
9/21/2016	Casey, Paul M	Call with Bank of America; follow up call with Sherman; Review and edit Mass Animation Agreement; Mtg Leung and Taylor re tax credit worksheets.	2.5
9/21/2016	Chu, Jonathan Matthew	Entered WEPPA claims.	0.5

Date	Professional	Description	Hours
9/21/2016	Delgado, Magdalena	Email analysis.	1.0
9/21/2016	Koroneos, Anna	SC letters and entry; with P. Casey on schedule and current WEPP status.	0.5
9/21/2016	Liu, Samson	I.T. Management.	0.5
9/21/2016	Page, Graham	Weppa Emails and phone calls.	0.5
9/21/2016	Tailor, Jay	Counterparty Cost review; GP e-mail correspondence; Discussion with WL and PC on review of PwC Comfort Letters.	3.0
9/22/2016	Casey, Paul M	Attend Call with Shah; Sherman re Estimated realization schedule.	0.6
9/22/2016	Chu, Jonathan Matthew	Entered in WEPPA claims.	0.3
9/22/2016	Koroneos, Anna	Retrieve SC payment letters and enter; with J. Tan contractor voice overs for a production and discuss his eligibility; review of documents from J. Tan and call with Sara of SC to discuss his status.	0.6
9/22/2016	Liu, Samson	I.T. review reporting email.	0.5
9/22/2016	Page, Graham	Weppa emails.	0.5
9/23/2016	Liu, Samson	I.T. review reporting email.	0.5
9/23/2016	Page, Graham	Weppa emails.	0.5
9/23/2016	Tailor, Jay	B2KBRAC Agreement Drafting.	1.0
9/26/2016	Casey, Paul M	Review JFET invoice; Email Leung re open points; emails from Kay.	0.5
9/26/2016	Chu, Jonathan Matthew	Entered WEPPA claims; Calculated and organized supporting documents for contractor payouts; Followed up with Rose about missing Payment.	1.5
9/26/2016	Koroneos, Anna	Review and enter payments from SC; email to team on Chambers payment and poc.	0.6
9/26/2016	Page, Graham	Weppa emails/calls.	0.5
9/26/2016	Tailor, Jay	Call with Disney for Elena for CAVCO applications; Employee e-mail and vendor e-mail responses; discussion with Richard Jez on credits to obtain update on outstanding items and de-consolidation.	1.0
9/27/2016	Casey, Paul M	Meeting Leung and Tailor re status of administration, tax consultants meeting, communications with secured lender, correspondence review, insurance; return call to Chubb counsel; attend call with Starr and Shah; emails; follow up meeting Leung re assignment planning and reporting.	3.0
9/27/2016	Delgado, Magdalena	Email review.	0.5
9/27/2016	Koroneos, Anna	With SC Sean McNamara and changing estate number; discussion and communicate to team- enter letters from SC.	1.0
9/27/2016	Leung, Warren	Update meeting with P. Casey and J. Tailor; call with GP re next steps and priority claims; correspondence with JFET re counterparty costs; call with Disney and Icon re tax credit application; reviewing HST liability assessment from CRA, call with counsel re next steps.	8.0

Date	Professional	Description	Hours
9/27/2016	Page, Graham	Weppa emails/calls.	0.5
9/28/2016	Casey, Paul M	Review and edit Mass Animation facilitation agreement and estimate; instructions Tailor; review correspondence from Zacks, D&O defense counsel; Mtg Tailor re CAVCO application; Mtg Leung.	1.5
9/28/2016	Delgado, Magdalena	Email review.	0.5
9/28/2016	Koroneos, Anna	Review of email from G. Page and P. Casey on WEPP.	0.5
9/28/2016	Leung, Warren	Update meeting with P. Casey re next steps; call with Stikeman re counterparty costs; call with CRA re GST HST liability and payroll audit.	2.0
9/28/2016	Liu, Samson	I.T. Management.	0.5
9/28/2016	Page, Graham	Weppa emails/calls.	0.5
9/28/2016	Taylor, Jay	Review of Arcadia 2014 OCASE application; discussing with Lynn V and PC on obtaining approval.	3.0
9/29/2016	Brown, Rose M	Trust Banking Administration - Contract Services cheques.	0.5
9/29/2016	Casey, Paul M	Mtg Leung and attend conference call with counsel re D&O counsel requests, other; attend call with Goodman's re bankruptcy discussion and priority claims; WEPP administration; email Tailor re applications; Disc Leung re Mass Animation facilitation agreement.	2.0
9/29/2016	Delgado, Magdalena	Email analysis.	3.0
9/29/2016	Leung, Warren	Update call with counsel re next steps, call with Goodman's re next steps; call with CRA re GST/HST liability.	3.5
9/29/2016	Liu, Samson	I.T. Management.	1.0
9/29/2016	Page, Graham	Weppa emails and phone calls.	1.0
9/30/2016	Casey, Paul M	Discussion Tailor re review of tax communications and planning; sign estate cheques; Conf Call with Zacks (Directors/Chubb counsel) re info request; Discussion Leung re Court Report.	1.5
9/30/2016	Chu, Jonathan Matthew	Enter WEPPA claims and documented acceptances/rejections.	0.3
9/30/2016	Delgado, Magdalena	Email analysis.	1.0
9/30/2016	Koroneos, Anna	Meet re delivery of employment information, with WL and GP on same.	0.4
9/30/2016	Leung, Warren	Drafting of Fourth Report of the Receiver; call with counsel for insurers to discuss D&O liabilities; call with CRA to discuss trust examination.	5.0
9/30/2016	Liu, Samson	I.T. Management.	1.5
9/30/2016	Taylor, Jay	Status update with PC on findings through review of e-mail; drafting update to GP based on findings; Call with ClydeCo/Zacks and discussion re request list.	4.0
9/30/2016	Page, Graham	WEPPA administration.	1.5
Total Hours			237.3

Summary of Fees

Professionals	Position	Rate	Hours	Amount
Casey, Paul M	Partner	585	28.7	\$16,789.50
Koroneos, Anna	Senior Manager	455	24.7	11,238.50
Leung, Warren	Senior Manager	455	58.9	26,799.50
Liu, Samson	Manager, I.T.	375	9.0	3,375.00
Page, Graham	Manager	375	17.2	6,450.00
Taylor, Jay	Senior	290	38.0	11,020.00
Cotton, John	Senior, I.T.	290	11.5	3,335.00
Chu, Jonathan Matthew	Analyst	225	26.0	5,850.00
Delgado, Magdalena	Analyst, I.T.	225	10.0	2,250.00
Brown, Rose M	Administrator	105	13.3	1,396.50
			237.3	\$88,504.00
Add: Administration Fee				6,195.28
Add: Out-of-pocket costs for in-town transportation, staff expenses, postage and delivery, searches, storage drive, printing				2,909.76
Total Fees and disbursements				\$97,609.04
HST on fees and disbursements @ 13%				12,689.18
Total Payable				\$110,298.22



Deloitte LLP
Bay Adelaide East
22 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

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

Privileged and Confidential

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

Date: November 21, 2016
Invoice No: **4216824**
Client/Mandate No: 850135.1000009
Billing Partner: Paul Casey
HST Registration No: 133245290

Invoice #7

For professional services rendered by Deloitte Restructuring Inc. as Court-appointed Receiver of Arc Productions Ltd. ("Arc" or the "Company") for the period from October 1 to October 31, 2016.

Date	Professional	Description	Hours
10/2/2016	Casey, Paul M	Review and comment on Receiver's 4th Report; email Leung.	1.5
10/3/2016	Taylor, Jay	Answering calls from Service Canada and providing information about employees.	0.5
10/3/2016	Casey, Paul M	Review of Updated Receiver's 4th Report; respond to QA comments from Bryk; review employee arrears schedule and WEPP payments; emails Leung and Page; review Appendices; email Leung re JFET receipt.	1.5
10/3/2016	Chu, Jonathan Matthew	Preparing statement of accounts; Entered WEPPA claim for Hecht; Calculated and documented contractor payout, correspondence with Lynn and Woodward.	2.5
10/3/2016	Leung, Warren	Review of tax credit facilitation agreement with Disney, draft fourth report of receiver and appendices.	3.0
10/3/2016	Koroneos, Anna	Review of email from P. Casey; review schedule provided by G. Page and discussion with G. Page on same.	0.4
10/3/2016	Page, Graham	WEPPA phone calls.	0.6
10/3/2016	Bryk, Adam A	QA review of receiver's fourth report.	1.0
10/4/2016	Taylor, Jay	Answering calls from Service Canada and providing information.	0.5
10/4/2016	Casey, Paul M	Meeting Page re Employee liability calculation; update other Court Report schedules; Disc with Leung and Koroneos.	1.0

Date	Professional	Description	Hours
10/4/2016	Leung, Warren	Call with counsel re next steps and security opinion; call with CRA re trust examination results; review changes to Fourth report of receiver; respond to questions from secured lender.	1.5
10/4/2016	Chu, Jonathan Matthew	Physical lookup of files and reenter WEPPA for non-paid employees.	0.8
10/4/2016	Page, Graham	Meeting with P. Casey regarding WEPPA tracking spreadsheet. Recalculations and clarification work.	0.9
10/4/2016	Koroneos, Anna	Discussion with P. Casey on WEPP schedule and update same - forward update.	0.4
10/5/2016	Page, Graham	WEPPA phone calls.	0.5
10/5/2016	Brown, Rose M	Bank Administration - Prepare weekly contract and disbursement cheques.	0.8
10/5/2016	Koroneos, Anna	Update WEPP letters from Service Canada; commission affidavit of fees.	0.5
10/5/2016	Taylor, Jay	Drafting reporting e-mail to GP and discussion of various issues with P. Casey and W. Leung.	3.0
10/5/2016	Casey, Paul M	Review and finalize Receiver's 4th Report; Appendices; Affidavit and other attachments; Meeting Leung re JFET collections; Taylor re email review.	3.0
10/5/2016	Leung, Warren	Revising fourth report of receiver; call with CRA re payroll arrears; call with contractor re update; meeting with team re same.	2.5
10/5/2016	Koroneos, Anna	Review and enter Service Canada payment letters.	0.3
10/6/2016	Brown, Rose M	Check disbursement regarding Contract Service payment issued.	0.5
10/6/2016	Taylor, Jay	Application review and follow up with Joe W and Lynn V.	2.0
10/6/2016	Page, Graham	Call with Service Canada and WEPPA emails.	0.5
10/7/2016	Chu, Jonathan Matthew	Entering WEPPA, compiling picture files from employees.	0.3
10/11/2016	Chu, Jonathan Matthew	ARC productions, compile emails and correspondence with Eugenea and Joe.	0.3
10/11/2016	Page, Graham	WEPPA emails and phone calls.	0.3
10/11/2016	Brown, Rose M	Trust Banking Administration - Disbursement cheques. Review Contract service to confirm J Woodward payments.	0.8
10/11/2016	Leung, Warren	Call with CRA re GST/HST audit; review of payables sub-ledger; request of contractor to compile same.	1.0
10/12/2016	Page, Graham	WEPPA emails and phone calls.	0.2
10/12/2016	Brown, Rose M	Trust Banking Administration - Deposit.	0.5
10/12/2016	Chu, Jonathan Matthew	Calculation of contractor payouts; Entering WEPPA forms	0.8
10/12/2016	Leung, Warren	Discussion with team re T4s, source deduction arrears, computer system backup and cheque receipts.	0.5

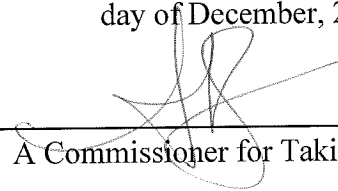
Date	Professional	Description	Hours
10/13/2016	Koroneos, Anna	Work on WEPP payments and super priority calculation; with Sean McNamarra of Service Canada re: statement of account; with J. Chu on amended SIN for employee; with Service Canada on Alice Ho's new address, contact Alice and respond.	2.0
10/13/2016	Leung, Warren	Review of payables subledger for GST/HST audit.	0.3
10/13/2016	Brown, Rose M	Trust Banking Administration - Prepare stop payment request & disbursement cheques.	0.5
10/13/2016	Chu, Jonathan Matthew	WEPPA; Enter WEPPA; Document change of address for Alice Ho.	0.3
10/14/2016	Taylor, Jay	CRA employee inquiries re insurable earnings and hours; Review of facilitation agreement with Disney re: Elena; Misc. Employee Inquiries; Status update with Rich Jez and Andrew K.	3.0
10/14/2016	Page, Graham	WEPPA calls; calls with Avi Katz regarding ROE and next steps; Emails regarding employee T4's.	1.1
10/14/2016	Leung, Warren	Draft counterparty reimbursement invoice; compile support for CRA GST/HST audit; Arc former employee correspondence; discussion with team re tax credit administration.	1.5
10/17/2016	Leung, Warren	Call with Denmark re Lego assets; discussion with J. Taylor re employee request.	0.7
10/17/2016	Taylor, Jay	E-mail communication with GP re Inspection of documents for 3 directors; Payroll for contractors.	1.0
10/17/2016	Koroneos, Anna	Receipt of letters from Service Canada and enter into payment schedule.	0.5
10/17/2016	Chu, Jonathan Matthew	ARC contractor calculations; Correspondence with contractors.	0.3
10/17/2016	Page, Graham	WEPPA phone calls.	0.3
10/18/2016	Chu, Jonathan Matthew	Service Canada calls; emails to Suhkrali; Calculations of contractor payout.	1.0
10/18/2016	Page, Graham	WEPPA phone calls and emails.	0.2
10/19/2016	Brown, Rose M	Trust Banking Administration - disbursement cheques.	0.6
10/19/2016	Page, Graham	Phone call with Arc employee regarding next steps for WEPP claim.	0.4
10/19/2016	Leung, Warren	Call with Denmark re Lego digital assets; review of Mass Animation correspondence; emails to J. Taylor re same.	1.2
10/21/2016	Taylor, Jay	Review of the Bank Statement from December 2015 - March 2016.	2.0
10/24/2016	Koroneos, Anna	Receipt of Service Canada Statement of Account as requested - review of paid/unpaid and super priority; discussion with P. Casey on same; emails to all employees who have not filed a proof of claim and with Service Canada; emails to all employees who have not been paid but.	2.0
10/24/2016	Casey, Paul M	Mtg Jay Taylor; Emails Leung; Grosvenor Park; DAS assessment; TCT Forte; TCT Latham.	1.0
10/25/2016	Koroneos, Anna	With former employees who have not filed a claim or with SC.	0.5

Date	Professional	Description	Hours
10/25/2016	Koroneos, Anna	With former employee on WEPP; review of voice mail from Natalie of Service Canada re: estate ID and employees using old number.	0.5
10/25/2016	Taylor, Jay	Call with counsel to discuss Arc Matters.	1.0
10/25/2016	Casey, Paul M	Review Disney Tax Credits Facilitation agreement and execute; prep and attend Conference call with counsel re open points; response to Zacks; bankruptcy assignment; lease terminations.	1.5
10/26/2016	Koroneos, Anna	With former employees on claims and SC registration - enter new and amended TIF.	0.7
10/26/2016	Brown, Rose M	File clean up and complete Affidavit of mailing (signing and scanning to Q Drive).	0.5
10/26/2016	Taylor, Jay	Answering Service Canada queries on tax matters.	0.5
10/26/2016	Casey, Paul M	Review and execute lease assignments re JFET and Allied transactions; email exchange with counsel; emails GP re various.	1.0
10/27/2016	Taylor, Jay	Review of OCASE applications for Eggs, Princess, In the Jungle, BL II for 2015 and 2016; Review of Eligible expenditures for all applications with PC and JC.	6.0
10/27/2016	Chu, Jonathan Matthew	Review of OCASE Numbers for application; Drafted Letter for Rose for application fee payment.	0.8
10/28/2016	Koroneos, Anna	With Hazel D. re: registration with Service Canada; update unpaid employee listing; TC with Matthew of Service Canada and re-enter TIF with new estate ID; update schedule with POC of C. Evans.	1.0
10/28/2016	Casey, Paul M	Mtg Leung; review CRA correspondence; action items.	1.0
10/28/2016	Chu, Jonathan Matthew	Draft email to Rose for cheques.	0.3
10/28/2016	Taylor, Jay	Review of the tax credit estimates sent to BoA and discussion with PC on estimates; Communication with KWCA on tax matters.	2.0
10/31/2016	Brown, Rose M	Trust Banking Administration - Disbursement cheque.	0.4
10/31/2016	Casey, Paul M	Mtg Leung re Shah info requests and review response; Emails re other tasks; Review and comment on HPFC lease assignment to JFET	1.5
10/31/2016	Chu, Jonathan Matthew	Compile October billings for GP	1.5
10/31/2016	Leung, Warren	Review of bank accounts for payments to counterparties, review of accounts payable subledger, draft email communication to GP.	2.5
10/31/2016	Page, Graham	Weppa update discussions, quantifying outstanding vacation balance	0.5
Total			78.0

Summary of Fees

Professionals	Position	Rate	Hours	Amount
Casey, Paul M	Partner	585	13.0	7,605.00
Bryk, Adam A	Partner	585	1.0	\$585.00
Koroneos, Anna	Senior Manager	455	8.8	4,004.00
Leung, Warren	Senior Manager	455	14.7	6,688.50
Page, Graham	Manager	375	5.5	2,062.50
Taylor, Jay	Senior	290	21.5	6,235.00
Chu, Jonathan Matthew	Analyst	225	8.9	2,002.50
Brown, Rose M	Administrator	105	4.6	483.00
			78.0	\$29,665.50
Add: Administration Fee				2,076.59
Add: Out-of-pocket costs for in-town transportation, staff expenses, and office supplies				451.13
Total Fees and disbursements				\$32,193.22
HST on fees and disbursements @ 13%				4,185.12
Total Payable				\$36,378.34

This is Exhibit "B" referred to in the
affidavit of Paul M. Casey
sworn before me, this 5th
day of December, 2016.



A Commissioner for Taking Affidavit

**Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte Restructuring Inc.,
Licensed Insolvency Trustee,
Expires June 3, 2019.**

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of
Deloitte Restructuring Inc.
for the period August 27, 2016 to October 31, 2016

Invoice No.	Fees	Disbursements	HST	Hours	Average Rate	Total
4161974 (August 27 to September 2, 2016) (5th Invoice)	\$38,146.04	\$503.70	\$5,024.47	100.6	\$379.19	\$43,674.21
4180846 (September 3 to September 30, 2016) (6th Invoice)	\$94,699.28	\$2,909.76	\$12,689.18	237.3	\$399.07	\$110,298.22
4216824 (October 1 to October 31, 2016) (7th Invoice)	\$31,742.09	\$451.13	\$4,185.12	78.0	\$406.95	\$36,378.34
TOTALS	\$164,587.41	\$3,864.59	\$21,898.77	415.9	\$395.74	\$190,350.77

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**FOURTH REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.**
(December 5, 2016)

APPENDIX "E"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

GROSVENOR PARK MEDIA FUND L.P.

Plaintiff

- and -

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

Defendants

AFFIDAVIT OF MARIO FORTE

(Sworn November 29, 2016)

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

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

3. Attached as Exhibit "A" to this affidavit are copies of invoices rendered by GSNH to Deloitte in its capacity as Interim Receiver for fees and disbursements incurred by GSNH in the course of this proceeding for the period from August 29, 2016 to September 30, 2016 with detailed descriptions of each docketed entry and the total billable hours by lawyer with their respective hourly rate as well as summary of hours docketed by each timekeeper.

4. Attached as Exhibit "B" to this affidavit are copies of invoices rendered by GSNH to Deloitte in its capacity as Interim Receiver for fees and disbursements incurred by GSNH in the course of this proceeding for the period from October 1, 2016 to October 31, 2016 with detailed descriptions of each docketed entry and the total billable hours by lawyer with their respective hourly rate as well as summary of hours docketed by each timekeeper.

5. The average hourly rate charged for the invoices set out in Exhibit "A" is approximately \$332.54. That is comprised of hours docketed by the following timekeepers at GSNH with the corresponding hourly rates:

Mario J. Forte	\$550.00
Robert Drake	\$390.00
Sanja Sopic	\$290.00
Jordan Baris	\$200.00

6. The average hourly rate charged for the invoice set out in Exhibit "B" is approximately \$359.06. That is comprised of hours docketed by the following timekeepers at GSNH with the corresponding hourly rates:

Mario J. Forte	\$550.00
Sanja Sopic	\$290.00
Jordan Baris	\$200.00

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

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

9. I make this affidavit in support of a motion by the Receiver for, among other things, approval of the fees and disbursements of GSNH as its counsel for the period from August 29, 2016 to September 30, 2016 and October 2 to October 31, 2016.

SWORN before me at the City of Toronto,
in the Province of Ontario
this 29th day of November, 2016



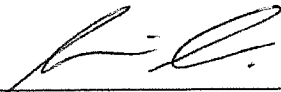
A Commissioner for taking oaths, etc.

Sanja Sopic



MARIO FORTE

*This is Exhibit "A" referred to
in the Affidavit of Mario Forte
sworn before me this
29th day of November, 2016.*



A Commissioner for taking oaths, etc.

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

DATE: September 9, 2016
FILE NO: 161502

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

Attention: Paul Casey

H.S.T. NO: .12233 6290 RT0001
INVOICE NO: 146242

IN ACCOUNT WITH

GOLDMAN SLOAN NASH & HABER LLP
BARRISTERS & SOLICITORS

RE: Arc Productions Ltd. et al.

TO PROFESSIONAL SERVICES RENDERED with respect to the above noted matter from August 29, 2016 to and including September 7, 2016:

DATE	LAWYER		TIME
Aug/29/16	SFS	Discussing appeal period for approval and vesting order with M. Forte and M. Rotsztain. Email correspondence with client re Construction Lien Act request for information. Discussing same with R. Drake. Finalizing same Email correspondence with client re various matters.	3.10
	MJF	advising on various post closing matters	0.20
	RJD	Meeting with S. Sopic re issues regarding Construction Lien Act request for information;	0.20
Aug/30/16	MJF	discussion and advice concerning set-off among government agencies and Arc entities and issue a provincial versus federal credit claims; dealing with post closing matters and LL issues	0.40
	JCB	Met with M.Forte regarding question of Federal government's ability to set-off provincial tax credits. Provided additional research with regards to same.	1.00
Aug/31/16	SFS	Discussing upcoming motion with M. Forte and drafting Notice of Motion. Email correspondence with client. Discussing assignment of Starz property and intercreditor agreement with M. Forte.	3.20
	MJF	reviewing property claims and advising on ownership and release matters	0.40
Sep/01/16	SFS	Drafting fee affidavit of Mario Forte. Revising Notice of Motion. Drafting order amending Approval and Vesting Order.	1.40
	MJF	discussions with LL counsel concerning request to assign lease; review of d&o policy to catalogue claims	1.20

ACCOUNTS ARE DUE WHEN RENDERED

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

Sep/02/16	SFS	pools and accessibility. Reviewing Third Report of the Receiver. Revising Notice of Motion and Draft Orders. Email correspondence with client re same. Putting together motion record and serving same. Preparing for Tuesday's motion.	4.50
	MJF	reviewing draft third report; dealing with third party disclaimers etc.	0.60
Sep/04/16	SFS	Conference call with M. Forte and W. Leung re adjournment request received from FCI Technologies and substance of claim against landlord. Email correspondence with client, counsel for FCI Technologies and counsel for purchaser re same.	0.70
	MJF	reviewing Fci claim and advising on response in connection with the motion to assign lease	0.50
Sep/05/16	SFS	Email correspondence re Tuesday's motion and lease assignment. Preparing for motion.	1.10
	MJF	responding to LL issues concerning assignment on advising on response	0.30
Sep/06/16	SFS	Preparing for and attending motion for amendment to approval and vesting order and Receiver's fees and activities. Emailing service list re same. Reviewing correspondence from counsel to Disney subsidiary re assignment of Canadian tax credits and unpaid fees.	2.70
Sep/07/16	SFS	Reviewing subordination agreement between BRK2BAC and Grosvenor Park. Discussing same with M. Forte. Email correspondence with commercial list re new motion date for approval of fees. Discussing landlord's request for vesting of lease with M. Forte.	0.90
	MJF	advising on ownership versus security position on BRK2BRAC matter, including review of subordination and scope thereof.	0.40

OUR FEE HEREIN
 H.S.T. on Fee

\$7,582.00
 985.66

FEE SUMMARY	HOURS	RATE	TOTAL
Sanja F. Sopic	17.60	290.00	\$5,104.00
Mario J. Forte	4.00	550.00	\$2,200.00
Robert J. Drake	0.20	390.00	\$78.00
Jordan C. Barris	1.00	00.00	\$200.00

DISBURSEMENTS:

Postage	1.71
Laser Copies	83.25
file motion record*	127.00
	<hr/>

\$211.96
\$11.04

TOTAL DISBURSEMENTS
 H.S.T. on Disbursements

DISBURSEMENTS MARKED WITH * INDICATE EXEMPT

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$996.70 H.S.T.) \$8,790.66

Deloitte Restructuring Inc.

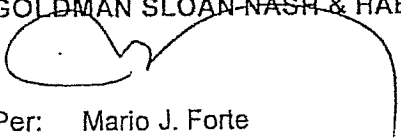
September 9, 2016
Invoice No: 146242

PREVIOUS BALANCE \$97,119.79

BALANCE DUE \$105,910.45

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP


Per: Mario J. Forte

E. & O. E.

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

Attention: Paul Casey

DATE: October 3, 2016
FILE NO: 161502

Suite 1600
480 University Avenue
Toronto, Ontario
M5G 1V2
Telephone: (416) 597-9922
Facsimile: (416) 597-3370
H.S.T. NO: 12233 6290 RT0001
INVOICE NO: 146901

IN ACCOUNT WITH

GOLDMAN SLOAN NASH & HABER LLP
BARRISTERS & SOLICITORS

RE: Arc Productions Ltd. et al.

TO PROFESSIONAL SERVICES RENDERED with respect to the above noted matter from
September 8TH to and including September 30th, 2016.

DATE	LAWYER		TIME
Sep/08/16	SFS	Reviewing Plan Group Inc.'s Statement of Claim against Vestacon, Allied REIT, Arc and the Receiver. Phone call with counsel for Allied re vesting out of Peter street lease. Reviewing Disney's revisions to property destruction agreement. Revising same. Phone call with D. Ullmann re Performer Agreement for Kody Kapow. Discussing same with M. Forte. Email correspondence with K. Esaw re same. Email correspondence with counsel for lien claimants re vesting of Peter Street lease. Discussing priority dispute and director's and officer's policy with M. Forte.	2.10
Sep/09/16	SFS	Participating in conference call with counsel for Vestacon, Plan Group and FCI Technologies re opposition to potential vesting out of Peter Street lease. Phone call with ACTRA counsel re Kody Kapow project. Email with counsel for Plan Group re acceptance of service of Statement of Claim. Emailing requisition to Commercial List re return date for motion for approval of fees and activities and assignment of lease. Email to service list re same.	1.70
Sep/12/16	SFS	Email correspondence with client re property destruction agreement with Disney and Sony. Email correspondence with counsel for Kody Kapow and purchaser re performer agreement. Email correspondence with client re assignment of tax credits. Revising Disney property destruction agreement. Email correspondence with counsel for Disney re same.	2.40
	MJF	Discussions with Goodmans concerning available background documentation for asserting claim.; reviewing and providing opinion on ownership and claim	1.20

ACCOUNTS ARE DUE WHEN RENDERED

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

	MJF	status in respect of Robosapien property.	
	MJF	Advising on Disney property destruction agreement	0.20
Sep/13/16	SFS	Email correspondence with counsel for Vestacon re upcoming motion for lease assignment. Email correspondence with counsel for Kody Kapow re termination of Performer Services Agreement with Jason Alexander.	0.30
	MJF	Discussions with Allied counsel on form of order and related issues	0.40
	MJF	Discussions with counsel to finalize for of order	0.30
	MJF	Providing comments and advice on tax credit preparation and facilitation agreement for Blazing	0.40
Sep/14/16	SFS	Email correspondence with M. Forte re assignment of lease to landlord on a nunc pro tunc basis. Discussing form of release for destruction of property for Sony re the Star project with M. Forte. Update email to service list.	0.40
	MJF	Review of motion materials for fee approval and lease assignments	0.20
Sep/15/16	SFS	Email correspondence with Disney re property destruction agreement. Revising release to be forwarded to Sony Pictures Animation in connection with destruction of property for the Star production. Reviewing summary of Receiver's fees and activities.	2.10
Sep/16/16	SFS	Preparing for and attending at Commercial List to speak to motion for approval of Receiver's fees and activities and assignment of the Peter street lease to an entity designated by the Landlord.	2.10
	MJF	Preparation for and attend court for fee approval and lease assignment	1.20
Sep/20/16	SFS	Reviewing lease for Richmond Street premises, lease amending agreement, parcel register and draft notice of assignment provided by counsel for Jam Filled. Email correspondence with client re same. Email correspondence with counsel for Disney re tax issue on Elena of Avalor. Discussing same with W. Leung.	2.10
Sep/21/16	MJF	Discussion and advice concerning Samurai agreement	0.10
Sep/23/16	SFS	Email to client re tax certificate credit issue on Elena of Avalor project. Reviewing emails re Icon's refusal to withdraw and amounts to be claimed by Arc through certificate. Email correspondence with counsel for Disney re same.	0.50
	MJF	Discussion with Oslers re: Samurai deal and outstanding issues	0.10
Sep/26/16	SFS	Discussing conference call with Disney and Icon and issues regarding tax certificate with M. Forte. Discussing drafting of agreement to resolve same with M. Forte.	0.50
	MJF	Discussion with Disney and ICON to deal with CAVCO applications	0.30
	MJF	Prepare agreement outline and commence draft	0.50
	MJF	Follow up with Dave Rosenblatt (Oslers) on Samurrai issues	0.10

Deloitte Restructuring Inc.

October 3, 2016
 Invoice No: 146901

Sep/27/16	SFS	Reviewing Statement of Claim received from Vestacon. Email to M. Forte re same.	0.30
	SFS	Email correspondence re GP's request to assign Arc into bankruptcy. Reviewing comments on tax credits facilitation services agreement from counsel for Mass Animation.	0.40
	MJF	Review tri-party agreement and deal with counsel on issues arising therefrom	0.10
Sep/28/16	MJF	Conference call to advise and assist with procedural matters and discussion with GP counsel on process related issues.	0.30
Sep/29/16	SFS	Email correspondence re tax credits agreement on Mass and Blazing Samurai. Conference call with client and M. Forte re director and officer liability and outstanding issues. Conference call with Goodmans, client and M. Forte re debtor's assignment into bankruptcy.	1.60
	MJF	Conference call with GP to deal with priority claims and distribution matters	0.20
Sep/30/16	SFS	Reviewing client's revisions to tax credit facilitation services agreement. Email correspondence with counsel for Mass re same.	0.90

OUR FEE HEREIN
 H.S.T. on Fee

\$8,126.00
 1,056.38

FEE SUMMARY

	HOURS	RATE	TOTAL
Sanja F. Sopic	17.40	\$290.00	\$5,046.00
Mario J. Forte	5.60	\$550.00	\$3,080.00

DISBURSEMENTS:

Courier	12.00
Laser Copies	25.00

TOTAL DISBURSEMENTS
 H.S.T. on Disbursements

\$37.00
 \$4.81

DISBURSEMENTS MARKED WITH * INDICATE EXEMPT

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$1,061.19 H.S.T.)

\$9,224.19

PREVIOUS BALANCE

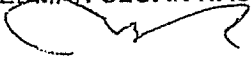
\$8,790.66

BALANCE DUE

\$18,014.85

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP


Per: Mario J. Forte

E. & O. E.

*This is **Exhibit "B"** referred to
in the Affidavit of Mario Forte
sworn before me this
29th day of November, 2016.*



A Commissioner for taking oaths, etc.

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

DATE: November 1, 2016
 FILE NO: 161502

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

Attention: Paul Casey

H.S.T. NO: 12233 6290 RT0001
 INVOICE NO: 147525

IN ACCOUNT WITH

GOLDMAN SLOAN NASH & HABER LLP
 BARRISTERS & SOLICITORS

RE: Arc Productions Ltd. et al.

TO PROFESSIONAL SERVICES RENDERED with respect to the above noted matter from October 1st to and including October 31st, 2016.

DATE	LAWYER		TIME
Oct/02/16	SFS	Reviewing tax credits agreement pertaining to Icon and Disney for Elena production. Email correspondence with M. Forte re same. Reviewing Receiver's Fourth Report.	0.90
Oct/03/16	MJF	review fourth report supporting bankruptcy application;	0.30
	SFS	Reviewing client's comments and email correspondence on tax credits agreement. Reviewing PPSA summaries of Arc Productions Ltd for insertion into security opinion. Email correspondence with M. Forte and J. Barris re same.	1.20
	MJF	completing draft of tax credit agreement for circulation; receiving comments and revising the agreement; preparing fee affidavit in connection with application for bankruptcy order; reviewing search summary and making detail changes to security opinion to reflect revised search summary	2.50
Oct/04/16	SFS	Reviewing additional PPSA summaries conducted by J. Barris and inserting into security opinion. Discussing same with M. Forte. Reviewing email from landlord's counsel re Vestacon's lien.	1.20
	MJF	communications with Goodmans re: application timing;	0.10
	JCB	Updated PPSA summary charts to include expiry dates and ensured consistent formatting with security opinion	0.35
Oct/05/16	SFS	Reviewing transfer and assumption agreement and revising same. Discussing revisions with M. Forte.	1.50
	MJF	discussions concerning fourth report and various outstanding clean-up matters;	0.50
Oct/06/16	SFS	Reviewing HFPS assignment agreement and creating	0.40

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

	SFS	blackline. Emailing same to counsel for Jam Filled. - Reviewing lease assignment agreement and amendment to lease.	0.50
	MJF	dealing with JFET logistic issues and lease assignment matters; discussions concerning bankruptcy matters	0.30
Oct/07/16	SFS	Discussing lease assignment agreement with M. Forte. Revising same and emailing to counsel for the Landlord.	0.80
Oct/11/16	MJF	reviewing and commenting on HP assignment; reviewing and revising on Disney comments re; tax agreement	0.50
Oct/12/16	SFS	Reviewing Disney's revisions to Tax Credit Agreement.	0.40
Oct/13/16	SFS	Reviewing email correspondence from V House Animation re outstanding questions. Discussing same with M. Forte.	0.30
	MJF	dealing with HP assignment follow up; reviewing comments on tax agreement	0.20
Oct/14/16	SFS	Email correspondence with client and counsel for landlord re Lease Amending Agreement for Richmond Street lease. Email correspondence with counsel for JFET re projects assumed by JFET. Discussing response to V House Animation request for information with M. Forte.	0.60
Oct/17/16	SFS	Reviewing APA re whether existing Arc liabilities in Assumed Projects were to be assumed by JFET. Email correspondence with K. Esaw re the Transfer and Assumption Agreement. Email correspondence with V House Animation re open questions.	0.80
	MJF	dealing with outstanding responses to Landlord assignment and HP matter; responding to LEGO request.	0.30
Oct/18/16	SFS	Conference call with counsel for HP and Jam Filled re amendments to transfer and assumption agreement. Discussing conference call and revisions to transfer and assumption agreement with M. Forte.	0.90
Oct/20/16	SFS	Revising transfer and assumption agreement with HP. Drafting cover email to HP counsel re same.	0.80
Oct/21/16	SFS	Reviewing HP's comments on T & A and discussing same with M. Forte. Email to counsel for HP re same.	0.50
Oct/24/16	SFS	Reviewing CRA notice of assessment for arrears in source deductions. Email to client re Lease Amending Agreement for Richmond Street lease.	0.60
	MJF	engaged in settlement of Elena tax credit issues; addressing various questions arising from JF transition period	0.80
Oct/26/16	SFS	Reviewing transfer and assumption agreement circulated by counsel for HP and discussing same with M. Forte. Email to counsel for HP re same. Voicemail and email to client re lease amending agreement and lease assignment agreement. Forwarding lease amending agreement to counsel for landlord.	1.80
Oct/27/16	SFS	Dictating letter to counsel for landlord enclosing lease assignment. Emailing same to opposing counsel. Reviewing email correspondence re tax credit	0.50

Deloitte Restructuring Inc.

November 1, 2016

Invoice No: 147525

Oct/31/16	SFS	agreement with counsel for Mass Animation. Email correspondence with client re HP transfer and assumption agreement. Discussing client's comments on same with M. Forte.	0.70
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OUR FEE HEREIN	\$7,271.00
H.S.T. on Fee	945.23

FEE SUMMARY

	HOURS	RATE	TOTAL
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Sanja F. Sopic	14.40	290.00	\$4,176.00
Mario J. Forte	5.50	550.00	\$3,025.00
Jordan C. Barris	0.35	200.00	\$70.00

DISBURSEMENTS:

Telephone Charges	77.73
Laser Copies	<u>92.50</u>

TOTAL DISBURSEMENTS	\$170.23
H.S.T. on Disbursements	\$22.13

DISBURSEMENTS MARKED WITH * INDICATE EXEMPT

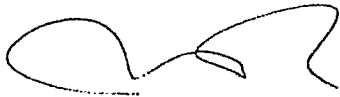
TOTAL LEGAL FEES AND DISBURSEMENTS (includes	\$967.36	H.S.T.)	<u>\$8,408.59</u>
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PREVIOUS BALANCE	\$18,014.85
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BALANCE DUE	<u><u>\$26,423.44</u></u>
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THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP



Per: Mario J. Forte

E. & O. E.

GROSVENOR PARK MEDIA FUNDS L.P.

ARC PRODUCTIONS LTD. et al.

Plaintiff

Defendants

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

ONTARIO

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

Proceedings commenced at
Toronto

FEE AFFIDAVIT OF MARIO FORTE

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
TORONTO, ON M5G 1V2

Mario Forte (LSUC #: 27293F)

Tel: 416-597-6477

Fax: 416-597-3370

Email: forte@gsnh.com

Sanja Sopic (LSUC #: 66487F)

Tel: 416-597-7876

Email: sopic@gsnh.com

Lawyers for Deloitte Restructuring Inc.