

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

BACK 40 PICTURES INC.

Respondent

**SUPPLEMENTAR MOTION RECORD
(returnable June 14, 2022)**

Date: June 10, 2022

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Email: smitra@airdberlis.com

Tamie Dolny (LSO # 77958U)
Tel: (647) 426-2306
Email: tdolny@airdberlis.com

Lawyers for the Receiver

TO: ATTACHED SERVICE LIST

Court File No. CV-20-00642755-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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**SUPPLEMENTARY MOTION RECORD
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1.	Supplemental Report to the Second Report of Deloitte Restructuring Inc., dated June 10, 2022
	<u>Appendices to the Supplemental Report to the Second Report</u>
A	ACTRA Claim, dated June 1, 2022
B	Email exchange between ACTRA and Aird, June 3-6, 2022
3.	Service List

TAB 1
Supplemental Report to the Second Report of Deloitte Restructuring Inc.

Court File No.: CV-20-00642755-00CL

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

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

BACK 40 PICTURES INC.

Respondent

**SUPPLEMENTAL REPORT TO THE
SECOND REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER OF
BACK 40 PICTURES INC.
DATED JUNE 10, 2022**

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APPENDIX "A" ACTRA Claim, dated June 1, 2022

APPENDIX "B" Email exchange between ACTRA and Aird, June 3 – 6, 2022.

INTRODUCTION AND PURPOSE OF THIS REPORT

1. This Supplemental Report (the “**Supplemental Report**”) to the Receiver’s Second Report to Court dated June 3, 2022 (the “**Second Report**”) has been prepared to advise the Court of additional information submitted to the Receiver by ACTRA with respect to its secured claim against the Company. This Supplemental Report should be read in conjunction with the Second Report, and any capitalized terms not defined herein shall have the meaning ascribed to them in the Second Report.
2. As set out in the Second Report, the Receiver and its counsel had requested additional information from ACTRA to support its claim that the ACTRA Security ranked ahead of other secured claims.
3. On June 3, 2022 the Receiver received an email from ACTRA attaching a proof of claim form and supporting documentation (the “**ACTRA Claim**”), a copy of which is attached hereto as **Appendix “A”**.
4. In response to the ACTRA Claim, Aird wrote to ACTRA and noted nothing contained in the ACTRA Claim appeared to support a claim of priority over other secured creditors. In the email exchange that followed, ACTRA conceded that it may not have a prior-ranking claim in respect of many of the Company’s assets and was primarily interested in the Company’s intellectual property. A copy of the email exchange between Aird and ACTRA is attached hereto as **Appendix “B”**.
5. As at the time of signing of this Supplemental Report, the Receiver has not been provided with any information that would support ACTRA’s previous assertion of a prior-ranking claim to the Refund. The Receiver maintains its recommendation set out in the Second

Report that the sum of \$2,300,824.93 is owed to RBC by the Company, that RBC is a secured creditor of the Company for that amount, and that RBC enjoys priority over other secured creditors in respect of that amount.

All of which is respectfully submitted at Toronto, Ontario this 10th day of June, 2022.

DELOITTE RESTRUCTURING INC.,

Solely in its capacity as Court-Appointed
Receiver of the Books and Records of
Back 40 Pictures Inc., and without
personal or corporate liability

Per:



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

Per:



Richard Williams, CPA, CA LIT
Senior Vice-President

APPENDIX A

To the Second Report of the Receiver

FORM 31

Proof of Claim

(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

ACTRA Performers' Rights Society
625 Church Street, Suite 300
Toronto, ON M4Y 2G1
prs@actra.ca / asas@actra.ca / mmurray@actra.ca

In the matter of the bankruptcy Deloitte Restructuring Inc. was appointed as receiver (the "Receiver"), Back 40 Pictures Inc. (the "Debtor") of Toronto, Ontario and the claim of ACTRA Performers' Rights Society, creditor.

I, Michael Murray, Director, ACTRA Performers' Rights Society, of Toronto, Ontario, do hereby certify:

1. That I am claiming security interest in the production entitled "Rabid" as per the Security Agreement signed with Back 40 Pictures Inc. on October 28th, 2018, of ACTRA Performers' Rights Society .
2. That I have knowledge of all of the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the receivership, namely the 24th day of February 2022, and still is, indebted to the creditor in the sum of \$663,258.81, as specified in the statement of account attached and marked Schedule "A," after deducting any counterclaims to which the debtor is entitled.
4. SECURED CLAIM OF \$ 663,258.81
That in respect of this debt, I hold assets of the debtor valued at \$663,258.81 as security, particulars of which are as follows:


See Schedule A

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and has dealt with the debtor in a non-arm's-length manner.

Dated at Toronto, ON, this 1st day of June.



Witness



Creditor

Telephone No.: 416-992-7189
Fax No.: 416-352-7596
Email address: mmurray@actra.ca

Tab 1 – Schedule A Cover Sheet

Schedule A – Explanation of Indebted Amounts

The debtor is a party to the 2016-2018 ACTRA Independent Production Agreement (IPA), available in its entirety at the following location:

<https://www.actra.ca/wp-content/uploads/2020/07/IPA-2016-print-version-revised-with-index-May-15-CMPA-AQPM-Electronic-Copy-FINAL-Version-3-002.pdf>

Select one or both:

A) The Debtor has submitted sales reports for some or all required periods and supporting information in full or partial compliance with IPA Article B511, but has not complied fully with the payment of Use Fees as per article B508 and B511, calculated using the reports.

B) The Debtor has not submitted sales reports for some or all required periods as per IPA Article B511 and as a result is liable for residual fees as per Articles B401 through B408 for these periods.

Included in this schedule:

Tab 2 – Rabid Back 40 IPA Voluntary Recognition Agreement

Tab 3 – 2016-2018 ACTRA IPA Table of Contents

Tab 4 – Rabid Back 40 IPA Security Agreement

Tab 5 – Summary of Security Interest Registration

Tab 6 – Security Registration

Tab 7 – Verification Statement

Tab 8 – Cover Letter to Rabid Back 40 Sharing Verification Statement

Tab 9 – IPA Appendix 7B Standard Security Terms

Tab 10 – Calculation of Amounts Owing

Tab 2 – Rabid Back 40 IPA Voluntary Recognition Agreement

APPENDIX J
VOLUNTARY RECOGNITION AGREEMENT

(see Article A103)

Eng 20709
prelim asking.

I, Michael Walker, (print name of individual), on behalf of the Producer, hereby acknowledge receipt of the Independent Production Agreement effective from January 1, 2016 to December 31, 2018, and covering Performers in independent production, between the Canadian Media Producers Association ("the CMPA") and the Alliance of Canadian Cinema Television and Radio Artists ("ACTRA") and state that I am authorized to execute this Agreement on behalf of Back 40 Pictures Inc. (the "Producer", as per A434).

The Producer hereby acknowledges that by executing this Voluntary Recognition Agreement, it is becoming signatory to the said Agreement. The Producer agrees to abide by and conform to all the terms and conditions contained herein.

The Producer recognizes that ACTRA is the exclusive bargaining agent of Performers as defined in the IPA, and recognizes the Producer's Association of which it is a member as the Producer's sole and exclusive bargaining agent.

Check one of the following.
For Association Members:

The Producer hereby certifies that it is a member in good standing of the following organization:

CMPA - Membership No. _____

The Negotiation Protocol set out in Appendix 2 of the IPA is hereby incorporated herein by reference, and by signing this document, the Producer appoints its Association as its exclusive bargaining agent, authorized to bargain on its behalf, and agrees that it shall be bound by the terms and conditions of the Agreement which is the result of collective bargaining between the Associations on the one hand, and ACTRA on the other hand, subject to ratification.

OR

The Producer hereby certifies that it is not a member in good standing of the CMPA. The Negotiation Protocol set out in Appendix 2 of the IPA is not incorporated herein by reference, and the Producer does not appoint any Association as its exclusive bargaining agent.

A copy of this Voluntary Recognition Agreement shall be forwarded to CMPA.

Dated this day 30th of October, 2017

Producer:

Back 40 Pictures Inc

(Name of Producer as per A434)

Po Box 106

(Street)

Ridgeville O

(City)

Ontario LO5.1M0

(Province)

(Postal Code)

905-399-7980

(phone number)

m.w.7980@me.com

(email)

(fax number)

Per: _____

(signature)

Michael Walker

(type or print name of individual and title)

RABID

(title of production)

Receipt of the above Voluntary Recognition Agreement/Negotiation Protocol is hereby confirmed by ACTRA.

Per: _____

(signature)

03/31/17

(day-month-year)

ALISTAIR HEPBURN

Director

(type or print name of individual)

ACTRA Toronto

(branch)

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Tab 4 – Rabid Back 40 IPA Security Agreement

APPENDIX 7a
Security Agreement
(see Article A517(b))

The Producer shall sign the following Security Agreement and forward it to the local ACTRA office.

This Security Agreement, made pursuant to Article A517(b) of the Independent Production Agreement ("the IPA") dated January 1, 2016 to December 31, 2018, is dated this 29 day of October, 2018

between: Back 40 Pictures Inc. (the "Debtor")

and ACTRA and the ACTRA Performers' Rights Society (collectively "ACTRA")

re: Rabid (the "Production")

Whereas the Debtor is authorized and entitled to provide this Security Agreement in respect of the Production,

1. This Security Agreement is entered into between the Debtor and ACTRA to secure the performance by the Debtor of all its obligations under Part B of the IPA. Said obligations include, but shall not be limited to, the obligation to pay Performers in the Production any compensation due and payable under the terms of Part B of the IPA, (i.e. residual payments, Use fees or other payments provided for in Part B of the IPA).
2. The parties acknowledge and agree to be bound by the terms, conditions and definitions contained in the Standard Security Terms in Appendix 7B.
3. ACTRA specifically acknowledges and agrees that this Security Interest shall be subject and subordinate to the Security Interests of the parties listed below. If the Security Interest of any listed party is not registered at the time of the registration of this Security Interest, ACTRA will agree to provide, at no cost to the Debtor, any subordination agreements required:

(a) <u>Telefilm Canada</u>	(d) _____
(b) <u>Ontario Media Dev.</u>	(e) _____
(c) _____	(f) _____

Failure of the Debtor to list all those parties with a prior Security Interest shall not be a violation of this Security Agreement, provided such security interest is registered.

4. **Subordination of ACTRA Security Agreement** Pursuant to paragraph 7.1 of the Standard Security Terms, ACTRA agrees that its Security Interest will rank subordinate to the Security Interests of the parties listed in Paragraph 3. The intent of this provision is that generally the Security Interests of the following parties will enjoy priority over ACTRA's Security Interest: chartered banks, trust companies, or other recognized lending institutions; government funded financiers; and subject to the prior written approval of ACTRA, other lenders or financiers that specifically require priority and that are providing project financing in respect of the Production.
5. The Debtor represents and warrants as follows:

(a) Debtor's Legal name, principal place of business and mailing address (if the Debtor is an individual, his/her birth date must be supplied)

Back 40 Pictures Inc
131 Bloor St. W. Suite 818, Toronto, Ontario
M5S - 1S3

(b) Address at which the Debtor keeps its records concerning accounts and contracts with respect to which a Security Interest is herein granted (if different than above)

(c) The negatives in connection with the Production will be processed by

N/A

(d) The positive copies of the Production for distribution will be made by

Urban Post 22 Boston Toronto

(e) The Debtor is duly organized and exists under the laws of the province/state/country of Ontario, and is not restricted by its charter documents or otherwise from entering into this Security Agreement.

(f) The copyright in Production has been or upon its completion will be duly registered in the following countries: _____ free and clear of adverse claims and liens other than those created hereby or as disclosed in Paragraph 3 hereof

(g) If the Debtor is not the Producer, that the Producer is _____ and its place of business is _____

(h) It is in receipt of a copy of the IPA, this Security Agreement, and the Standard Security Terms.

In witness whereof the Debtor has executed this Security Agreement

at Toronto this Oct 29th day of October, 2018

Debtor

Per [Signature]
(signature)
John Vidette
(print name and title)

Per [Signature]
(signature)
Michael Walker
(print name and title) Co. President

Acknowledgment

ACTRA Branch

Per [Signature]
(signature)
ALISTAIR HEPBURN
Director
Film, Television & Digital Media
ACTRA Toronto
(print name, title, and branch)

Date Oct 31/18
(day/month/year)

ACTRA Performers' Rights Society

Per [Signature]
(signature)
(print name and title)

Max Wagner
Assistant Director
ACTRA
Performers' Rights Society

Tab 5 – Summary of Security Interest Registration



**Performers'
Rights
Society**

A DIVISION OF ACTRA

SUMMARY OF SECURITY INTEREST REGISTRATION

AS AT: 30 Nov 2018

SMARTS PRODUCTION TITLE: **RABID - 2018**

SMARTS PRODUCTION ID: 15251

SMARTS SEASON TITLE: **RABID - 2018**

SMARTS SEASON ID: 18114

REGISTRATION PERIOD (years): **5**

TERRITORIES REGISTERED: **ONTARIO**

DATE OF EXECUTION OF SECURITY

AGREEMENT: **29-Oct-2018**

REGISTRATION DATE: **01-Nov-2018**

SECURED PARTY: **ACTRA PERFORMERS' RIGHTS SOCIETY**

DEBTOR 1: **Back 40 Pictures Inc.
131 Bloor St. W, Suite 818
Toronto, ON ,M5S 1S3
Attn: John Vidette - Exec. Producer**

DEBTOR 2:

CORPORATE NAME SEARCHED: **BACK 40 PICTURES INC.**

SMARTS PRODUCER ID: 12090

CURRENT SECURITY AGREEMENT NOT

APPROVED FOR RENEWAL: No

SEARCH COMPLETED: **No**

SEARCHES CONDUCTED	CORPORATE:	Yes
	PPSA PRELIMINARY:	No
	BUSINESS NAME SEARCH:	No

SECURITY AGREEMENT REGISTRATION NUMBER: **20181101 0957 1862 5604**

IS THIS A RENEWAL REGISTRATION? **No**

VERIFICATION STATEMENT SENT TO DEBTOR: **29-Nov-2018**

SMARTS SECURITY AGREEMENT REGISTRATION ID: **12333**

SMARTS SECURITY AGREEMENT ID: **8507**

Tab 6 – Security Registration

Financing Change Statement/Change Statement
État de modification du financement/État de modification

2018/11/01 305 03183
 1862A20181101C

Registration No. (for office use only) / N° d'enregistrement (usage interne)
 YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence



Ministry of Consumer and Business Services / Ministère des Services aux Consommateurs et aux Entreprises

Form Formule 3C

10553(03/95)

Registered Under (office use only) / Enregistré aux termes de (usage interne) **PPSA**

31 Reference File Number / N° de dossier de référence **745412094** Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée (C) Enter Number of Additional Years if Renewal (see reverse) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso)

32 Individual Debtor (as recorded) / Débiteur particulier (tel qu'inscrit) First Given Name / Premier prénom Initial / Initiale Surname / Nom de famille

33 Business Debtor (as recorded) / Débiteur commercial (tel qu'inscrit) **BACK 40 PICTURES INC.** Ontario Corporation No. / N° matricule de la personne morale en Ontario

06/16 Secured Party/Lien Claimant/Registered Agent / Créancier garanti/ Créancier privilégié/Agent d'enregistrement
 09/17 Address/Adresse City, etc./Ville, etc. Prov./Prov. Postal Code/Code postal

ACTRA PERFORMERS' RIGHTS SOCIETY
625 CHURCH STREET, SUITE 300
TORONTO ON M4Y 2G1

Authorized Signature/Signature autorisée

Name and Signature of Secured Party/Lien Claimant OR Name of Secured Party/Lien Claimant AND Name and Signature of Agent of Secured Party/Lien Claimant / Nom et signature du créancier garanti/créancier privilégié OU Nom du créancier garanti/créancier privilégié ET nom et signature de l'agent du créancier garanti/créancier privilégié

This form must not be reproduced for registration purposes. / Cette formule ne doit pas être reproduite aux fins d'enregistrement.

(Cut along dotted line / Détachez à la ligne pointillée)

This is not a Certificate issued under the PPSA. It is provided as a courtesy to assist you / Le présent n'est pas un certificat délivré en vertu de PPSA. Il est délivré à titre gracieux pour vous aider.

Verification Statement/État de vérification

Form Type/Type de formule	Page	Line/Ligne	*The expiry date calculated by the system may exceed the date on which the registration ceases to be effective. * La date d'expiration établie en vertu du système peut être postérieure à la date à laquelle l'enregistrement cesse d'être en vigueur.	Page/ Page	OF/ DE	Total Pages/ Nombre de pages	*Expiry Date/ Date d'expiration YYYY/AAAA-MM/MM-DD/JJ
	1			1		2	2023/11/01

1C	1	00	745412094				
1C	1	01	CAUTION FILING/AVERTIS: PAGE: 1 OF/DE: 2 MV SCHEDULE				
1C	1	01	ATTACHED/LISTE VA: REG NUM/NO ENREGIST: 20181101 0957 1862 5604				
1C	1	01	REG UNDER/T. ENREG: P REG PERIOD/PERIODE: 5				
1C	1	03	BACK 40 PICTURES INC.				
1C	1	04	131 BLOOR ST. W, SUITE 818				
1C	1	04	TORONTO ON M5S 1S3				
1C	1	08	ACTRA PERFORMERS' RIGHTS SOCIETY				
1C	1	09	625 CHURCH STREET, SUITE 300				
1C	1	09	TORONTO ON M4Y 2G1				
1C	1	10	CONS GOODS/BIENS CONS: INVTRY/STOCK: X EQUIP/MATER: X				
1C	1	10	ACCTS/COMPT: X OTHER/AUTRE: X MV INCL/VA INCLUS:				
1C	1	10	AMOUNT/MONTANT: DATE OF MATURITY/DATE ECHEANCE:				
1C	1	10	NO FIXED MAT DATE/D ECHE PAS DET:				
1C	1	13	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY PURSUANT TO A				
1C	1	14	SECURITY AGREEMENT MADE BY THE DEBTOR IN FAVOUR OF THE SECURED PARTY				
1C	1	15	IN RESPECT OF THE PRODUCTION CURRENTLY TITLED "RABID".				
1C	1	16	ACTRA PERFORMERS' RIGHTS SOCIETY				
1C	1	17	625 CHURCH STREET, SUITE 300				
1C	1	17	TORONTO ON M4Y 2G1				

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

GENERAL INSTRUCTIONS

This form is to be used only for renewals and discharges.

For instructions on how to complete this form please refer to the Personal Property Security Registration and Enquiry Guide. A copy of the Guide is available from any Branch Registry Office or by writing to :

Personal Property Registration
Central Registration Branch
P.O. Box 21100, Station "A"
Toronto, Ontario
M5W 1W6

A self addressed envelope of minimum size 255mm x 330mm (10" x 13") stamped with sufficient postage to cover weight of 325g, for each Guide must accompany your request.

Typing Instructions

Use capital letters only, 10 or 12 pitch type and black ink of sufficient density to facilitate microfilming.

All characters must be contained within the white areas provided on the form.

Error Correction

If an error is made on line 31, the Form 3C is no longer acceptable for registration purposes. A form 2C will have to be completed and registered. To correct any other error 'X' out the word/number, leave a space and retype.

Line 31

Complete the appropriate box as indicated:
Type B for Renewal
C for Discharge

If renewal (B) type the number of additional years in the next box.

UPON RENEWAL, the additional years indicated will be added to the total registration period.

For PPSA registrations where the collateral is or includes consumer goods, the maximum number of years for renewal is five (5) years. In this case, the renewal period is calculated from the time this form is registered.

Note that under the RSLA the total registration period including renewals must not exceed 3 years.

Complete lines 08/16 and 09/17.

Authorized Signature

Mandatory -- See Guide for samples.

Method of Registration

Submit this form with the appropriate fee to any Branch Registry Office (see appendix in Guide) or mail with cheque (made payable to the Minister of Finance) to:

Personal Property Registration
Central Registration Branch
P.O. Box 21100, Station "A"
Toronto, Ontario
M5W 1W6

NOTICE TO REGISTRANT

The Verification Statement is sent to you as a courtesy only and is not a certificate. Verify that the information contained in the statement is accurate.

The courtesy notice brings to your attention a condition (as indicated) of which you may not be aware. If it is your opinion that the condition may affect the validity of the registration, you may wish to take appropriate corrective action.

NOTICE TO DEBTOR

This Verification Statement indicates that a notice has been registered in the Personal Property Security Registration System naming you as the Debtor in a transaction made with the Secured Party/Lien Claimant. (In some instances the Registering Agent of the Secured Party/Lien Claimant may appear on line 08/16 or 16 of this statement).

Please review the information to make certain it is accurate. If it is not or if you require additional information, contact the Secured Party/Lien Claimant.

INSTRUCTIONS GÉNÉRALES

Cette formule ne doit être utilisée que pour les renouvellements ou les mainlevées.

Pour les instructions sur la façon de remplir cette formule, veuillez consulter le Guide pour l'enregistrement et la recherche des sûretés mobilières. Des exemplaires sont disponibles dans tous les bureaux d'enregistrement régionaux ou vous pouvez en faire la demande en écrivant à l'adresse suivante:

Enregistrement des sûretés mobilières
Direction de Service central des enregistrements
C.P. 21100, succursale A
Toronto ON M5W 1W6

Votre demande doit être accompagnée d'une enveloppe d'un format minimum de 255mm x 330mm (10" x 13") et affranchie pour un poids de 365g pour chaque exemplaire du guide.

Machine à écrire

Taper en lettres majuscules seulement et utiliser un ruban d'encre noire et un espacement de 10 ou 12 points de densité suffisante dans le but de faciliter le transfert sur microfilm.

Les caractères doivent être indiqués dans les espaces prévus à cette fin sur la formule.

Correction des erreurs

Si une erreur est faite sur la ligne 31, la formule 3C ne peut être acceptée aux fins d'enregistrement. Une formule 2C devra être remplie et enregistrée. Pour corriger toute autre erreur, taper un «X» sur les mots ou les chiffres erronés, laisser un espace et retaper.

Ligne 31

Remplir la case appropriée en inscrivant:
B pour un renouvellement
C pour une mainlevée

S'il s'agit d'un renouvellement(B), indiquer le nombre d'années supplémentaires dans la case suivante.

AU MOMENT DU RENOUELEMENT le nombre d'années supplémentaires indiqué sera ajouté à la période totale d'enregistrement

S'il s'agit d'enregistrements effectués aux termes de la Loi sur les sûretés mobilières, lorsque les biens grevés constituent ou comprennent des biens de consommation, le nombre maximal d'années de renouvellement est limité à cinq (5). En ce cas, la période de renouvellement est calculée à partir de la date d'enregistrement de la présente formule.

Veuillez noter qu'aux termes de la Loi sur le privilège des réparateurs et des entreposeurs, la période d'enregistrement, y compris les renouvellements, ne peut dépasser trois ans.

Remplir les lignes 08/16 et 09/17.

Signature autorisée.

La signature est obligatoire. Consulter les exemples donnés dans le guide.

Méthode d'enregistrement

Présenter cette formule et payer les frais applicables à n'importe quel bureau régional d'enregistrement (consulter l'annexe du guide) ou poster le tout accompagné d'un chèque (à l'ordre du ministre des Finances) à l'adresse suivante:

Enregistrement des sûretés mobilières
Direction de Service central des enregistrements
C.P. 21100, succursale A
Toronto ON M5W 1W6

AVIS AU DÉPOSANT

Cet état de vérification est expédié à titre gracieux seulement et ne constitue pas un certificat. Veuillez vérifier l'exactitude des renseignements qui y apparaissent.

Cet état à titre gracieux peut attirer votre attention sur une situation (telle qu'indiquée) dont vous n'êtes peut-être pas au courant. Si vous croyez que cette situation peut affecter la validité de l'enregistrement, vous pouvez prendre les mesures nécessaires pour y remédier.

AVIS AU DÉBITEUR

Cet état de vérification indique qu'un avis a été enregistré dans le système d'enregistrement des sûretés mobilières en indiquant votre nom comme débiteur en relation avec une transaction effectuée avec le créancier garanti ou le créancier privilégié (Dans certain cas, le nom de l'agent d'enregistrement de le créancier garanti ou le créancier privilégié peut-être indiqué sur la ligne 08/16 ou 16 de l'état.)

Veuillez vérifier l'exactitude des renseignements qui y apparaissent. En cas d'inexactitude, ou pour obtenir des renseignements supplémentaires, veuillez communiquer avec la partie garantie ou le titulaire du privilège.

Financing Change Statement/Change Statement
État de modification du financement/État de modification

2018/11/01 305 03184
 1862A20181101C

Registration No. (for office use only)/N° d'enregistrement (usage interne)
 YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence



Ministry of Consumer and Business Services / Ministère des Services aux Consommateurs et aux Entreprises

Form **3C**
 Formule **3C**

10553(03/95)

Registered Under (office use only) / Enregistré aux termes de (usage interne)

31 Reference File Number / N° de dossier de référence **745412094** Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée (C) Enter Number of Additional Years if Renewal (see reverse) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso).

32 Individual Debtor (as recorded) / Débiteur particulier (tel qu'inscrit) First Given Name / Premier prénom Initial / Initiale Surname / Nom de famille

33 Business Debtor (as recorded) / Débiteur commercial (tel qu'inscrit) **BACK 40 PICTURES INC.** Ontario Corporation No. / N° matricule de la personne morale en Ontario

08 16 Secured Party/Lien Claimant/ Registering Agent / Créancier garanti/ Créancier privilégié/ Agent d'enregistrement

09 17 Address/Adresse City, etc./Ville, etc. Prov./Prov. Postal Code/Code postal

ACTRA PERFORMERS' RIGHTS SOCIETY
625 CHURCH STREET, SUITE 300
TORONTO ON M4Y 2G1

Authorized Signature/Signature autorisée

Name and Signature of Secured Party/Lien Claimant OR Name of Secured Party/Lien Claimant AND Name and Signature of Agent of Secured Party/Lien Claimant / Nom et signature du créancier garanti/créancier privilégié OU Nom du créancier garanti/créancier privilégié ET nom et signature de l'agent du créancier garanti/créancier privilégié.

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(Cut along dotted line / Détachez à la ligne pointillée)

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Verification Statement/État de vérification

Form Type / Type de formule	Page	Line / Ligne	*The expiry date calculated by the system may exceed the date on which the registration ceases to be effective. * La date d'expiration établie en vertu du système peut être postérieure à la date à laquelle l'enregistrement cesse d'être en vigueur.	Page / Page	OF / DE	Total Pages / Nombre de pages	*Expiry Date / Date d'expiration YYYY/AAAA MM/MM DD/JJ
				2		2	2023/11/01

1C	2	00	745412094				
1C	2	01	CAUTION FILING/AVERTIS:	PAGE:	2 OF/DE:	2	MV SCHEDULE
1C	2	01	ATTACHED/LISTE VA:	REG NUM/NO ENREGIST:	20181101 0957 1862 5604		
1C	2	01	REG UNDER/T. ENREG:	REG PERIOD/PERIODE:			
1C	2	08	ACTRA				
1C	2	09	625 CHURCH STREET, SUITE 300				
1C	2	09	TORONTO	ON	M4Y2G1		

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

GENERAL INSTRUCTIONS

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Central Registration Branch
P.O. Box 21100, Station "A"
Toronto, Ontario
M5W 1W6

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Typing Instructions

Use capital letters only, 10 or 12 pitch type and black ink of sufficient density to facilitate microfilming.

All characters must be contained within the white areas provided on the form.

Error Correction

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Line 31

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C for Discharge

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For PPSA registrations where the collateral is or includes consumer goods, the maximum number of years for renewal is five (5) years. In this case, the renewal period is calculated from the time this form is registered.

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Authorized Signature

Mandatory -- See Guide for samples.

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M5W 1W6

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NOTICE TO DEBTOR

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Please review the information to make certain it is accurate. If it is not or if you require additional information, contact the Secured Party/Lien Claimant.

INSTRUCTIONS GÉNÉRALES

Cette formule ne doit être utilisée que pour les renouvellements ou les mainlevées.

Pour les instructions sur la façon de remplir cette formule, veuillez consulter le Guide pour l'enregistrement et la recherche des sûretés mobilières. Des exemplaires sont disponibles dans tous les bureaux d'enregistrement régionaux ou vous pouvez en faire la demande en écrivant à l'adresse suivante:

Enregistrement des sûretés mobilières
Direction de Service central des enregistrements
C.P. 21100, succursale A
Toronto ON M5W 1W6

Votre demande doit être accompagnée d'une enveloppe d'un format minimum de 255mm x 330mm (10" x 13") et affranchie pour un poids de 365g pour chaque exemplaire du guide.

Machine à écrire

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Ligne 31

Remplir la case appropriée en inscrivant:

B pour un renouvellement
C pour une mainlevée

S'il s'agit d'un renouvellement(B), indiquer le nombre d'années supplémentaires dans la case suivante.

AU MOMENT DU RENOUELEMENT le nombre d'années supplémentaires indiqué sera ajouté à la période totale d'enregistrement

S'il s'agit d'enregistrements effectués aux termes de la Loi sur les sûretés mobilières, lorsque les biens grevés constituent ou comprennent des biens de consommation, le nombre maximal d'années de renouvellement est limité à cinq (5). En ce cas, la période de renouvellement est calculée à partir de la date d'enregistrement de la présente formule.

Veillez noter qu'aux termes de la Loi sur le privilège des réparateurs et des entreposeurs, la période d'enregistrement, y compris les renouvellements, ne peut dépasser trois ans.

Remplir les lignes 08/16 et 09/17.

Signature autorisée.

La signature est obligatoire. Consulter les exemples donnés dans le guide.

Méthode d'enregistrement

Présenter cette formule et payer les frais applicables à n'importe quel bureau régional d'enregistrement (consulter l'annexe du guide) ou poster le tout accompagné d'un chèque (à l'ordre du ministre des Finances) à l'adresse suivante:

Enregistrement des sûretés mobilières
Direction de Service central des enregistrements
C.P. 21100, succursale A
Toronto ON M5W 1W6

AVIS AU DÉPOSANT

Cet état de vérification est expédié à titre gracieux seulement et ne constitue pas un certificat. Veuillez vérifier l'exactitude des renseignements qui y apparaissent.

Cet état à titre gracieux peut attirer votre attention sur une situation (telle qu'indiquée) dont vous n'êtes peut-être pas au courant. Si vous croyez que cette situation peut affecter la validité de l'enregistrement, vous pouvez prendre les mesures nécessaires pour y remédier.

AVIS AU DÉBITEUR

Cet état de vérification indique qu'un avis a été enregistré dans le système d'enregistrement des sûretés mobilières en indiquant votre nom comme débiteur en relation avec une transaction effectuée avec le créancier garanti ou la créancier privilégié (Dans certain cas, le nom de l'agent d'enregistrement de la créancier garanti ou la créancier privilégié peut-être indiqué sur la ligne 08/16 ou 16 de l'état.)

Veillez vérifier l'exactitude des renseignements qui y apparaissent. En cas d'inexactitude, ou pour obtenir des renseignements supplémentaires, veuillez communiquer avec la partie garantie ou le titulaire du privilège.

Tab 7 – Verification Statement

Verification Statement

Cyberbahn Transaction ID: 15371504

**Form
1C**

Ontario: Financing Statement / Claim for Lien

		Reference File No. 745412094				Registration No. 20181101095718625604				Expiry Date 01 NOV 2023			
01		Caution Filing	Page 1	Total Page of 2	Motor Vehicle Schedule					PPSARS/SLA P	Registration Period 5		
Debtor	02	Individual Debtor		Date of Birth	First Given Name	Initial	Surname						
	03	Business Debtor		Name BACK 40 PICTURES INC.						Name cont'd			
									Ontario Corporation No.				
	04	Address 131 BLOOR ST. W, SUITE 818				City TORONTO		Prov. ON	Postal Code M5S 1S3				
Debtor	05	Individual Debtor		Date of Birth	First Given Name	Initial	Surname						
	06	Business Debtor		Name						Name cont'd			
									Ontario Corporation No.				
07	Address				City		Prov.	Postal Code					
Secured Party	08	Secured Party ACTRA PERFORMERS' RIGHTS SOCIETY											
	09	Address 625 CHURCH STREET, SUITE 300				City TORONTO		Prov. ON	Postal Code M4Y 2G1				
Collateral	10	Section 1: Collateral Classification				Section 2: Vehicle Included		Section 3: Principal Amount Secured		Section 4:			
			Consumer Goods	Inventory	Equipment	Accounts	Other	Type 'X' if Motor Vehicle Included		Date of Maturity		No Fixed Date of Maturity	
				X	X	X	X						
	11	Year	Make			Model		Vehicle Identification No.					
	12												
13	General Collateral Description ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY PURSUANT TO A												
14	SECURITY AGREEMENT MADE BY THE DEBTOR IN FAVOUR OF THE SECURED PARTY												
15	IN RESPECT OF THE PRODUCTION CURRENTLY TITLED "RABID".												
Agent	16	Registering Agent ACTRA PERFORMERS' RIGHTS SOCIETY											
	17	Address 625 CHURCH STREET, SUITE 300				City TORONTO		Prov. ON	Postal Code M4Y 2G1				

Verification Statement

Cyberbahn Transaction ID: 15371504

Form 1C

Ontario: Financing Statement / Claim for Lien

		Reference File No. 745412094				Registration No. 20181101095718625604				Expiry Date 01 NOV 2023		
01		Caution Filing	Page 2	Total Page of 2	Motor Vehicle Schedule					PPSA/RSLA	Registration Period	
Debtor	02	Individual Debtor	Date of Birth			First Given Name			Initial	Surname		
	03	Business Debtor	Name									
			Name cont'd									Ontario Corporation No.
	04	Address				City			Prov.	Postal Code		
Debtor	05	Individual Debtor	Date of Birth			First Given Name			Initial	Surname		
	06	Business Debtor	Name									
			Name cont'd									Ontario Corporation No.
	07	Address				City			Prov.	Postal Code		
Secured Party	08	Secured Party ACTRA										
	09	Address 625 CHURCH STREET, SUITE 300				City TORONTO			Prov. ON	Postal Code M4Y2G1		
Collateral	10	Section 1: Collateral Classification					Section 2: Vehicle Included		Section 3: Principal Amount Secured		Section 4:	
		Consumer Goods	Inventory	Equipment	Accounts	Other	Type 'X' if Motor Vehicle Included	\$.00		Date of Maturity	No Fixed Date of Maturity	
	11	Year	Make			Model			Vehicle Identification No.			
	12											
	13	General Collateral Description										
14												
15												
Agent	16	Registering Agent										
	17	Address				City			Prov.	Postal Code		

IMPORTANT INFORMATION

Due to the manner in which registrations are handled by the PPSR system, your original 3C Verification Statement ('Original Verification Statement') produced by the PPSR Registrar may contain warnings or error messages generated by the Ministry of Government Services, Companies and Personal Property Security Branch. Your Cyberbahn verification statement will NOT contain these messages, and Cyberbahn strongly recommends, in all cases, that you review your Original Verification Statement to ensure that you are aware of any potential errors or warnings generated by the PPSA system. Cyberbahn is not responsible for system errors.

Should you have any questions, please do not hesitate to contact Cyberbahn.

Tab 8 – Cover Letter to Rabid Back 40 Sharing Verification Statement



**Performers'
Rights
Society**

A DIVISION OF ACTRA

November 29th, 2018

Back 40 Pictures Inc.
131 Bloor St. W, Suite 818
Toronto, ON, M5S 1S3

Attn: John Vidette - Exec. Producer

Re: "Rabid" - Security Agreement

In accordance with the provisions of the *Personal Property Security Act* (Ontario) ("PPSA"), I enclose a copy of a verification statement with respect to a PPSA financing statement registered on November 1st, 2018 in the Province of Ontario against Back 40 Pictures Inc.

Also enclosed is one fully executed copy of the Security Agreement executed by you on behalf of the company for your files. These copies are for your reference purposes only. No further action is required on your part.

Yours truly,

Adela Sas
Research Analyst
Asas@actra.ca
416-489-1311 ext 5023

Alliance of Canadian Cinema, Television and Radio Artists

Toll Free 1-800-387-3516 T 416-489-1311 F 416-489-1040 E prs@actra.ca
625 Church Street, 3rd Floor, Toronto ON M4Y 2G1 www.actra.ca

AFFILIATED WITH THE CANADIAN LABOUR CONGRESS (CLC) AND THE INTERNATIONAL FEDERATION OF ACTORS (FIA)
BRANCH OFFICES IN VANCOUVER, EDMONTON, CALGARY, REGINA, WINNIPEG, TORONTO, OTTAWA, MONTREAL, HALIFAX, ST. JOHN'S

Tab 9 – IPA Appendix 7B Standard Security Terms

APPENDIX 7B

STANDARD SECURITY TERMS

(see Article A517[b])

1.0 Parties and Nature of the Relationship

- 1.1 The Security Agreement is entered into between the Debtor and ACTRA to secure the performance by the Debtor of its Secured Obligations (defined herein at Paragraph 3) and to make the Collateral (defined herein at Paragraph 4) security for such Secured Obligations, to the fullest extent allowed by applicable law.
- 1.2 The Secured Parties are ACTRA , which is the exclusive bargaining agent for all of the Performers who worked on the Production, and the ACTRA Performers' Rights Society, a corporation whose function includes the collection and distribution of Use fees and residuals.
- 1.3 The Debtor acknowledges that the Secured Parties, collectively referred to as ACTRA, are thus entitled to represent the Performers in respect of any and all current and continuing claims for payment of Use fees, residuals, and other amounts payable under Part B of the IPA.
- 1.4 Name and address of the Secured Parties:
ACTRA
Fax: 1 (416) 489-8076

ACTRA Performers' Rights Society Fax: 1
(416) 489-1040
625 Church Street, 3rd Floor Toronto,
ON M4Y 2G1
- 1.5 The Debtor warrants and represents that, under the terms of this Agreement, it is primarily liable for all obligations to report and remit residual payments, Use fees, and other payments arising from the terms and conditions contained in Part B of the IPA, as if it were a signatory to the IPA, and the terms of the IPA are hereby incorporated by reference.

2.0 Creation of Security Interest

- 2.1 The Debtor hereby grants to ACTRA, in addition to any other rights or benefits previously granted by contract, collective Agreement, or otherwise, for value received and to secure the performance of the obligations under this Security Agreement and as a general and

continuing collateral security for the payment of the full sum of Performers' Fees, including but not limited to Use and residual fees and for the due performance, observance, and fulfillment of the obligations of the Producer/Debtor, a Security Interest by way of a charge ranking subordinate to those Secured Parties set out in Paragraph 7.1 hereof, but otherwise in first position in respect of the Collateral as defined herein, whether now owned or hereafter acquired directly or indirectly by the Debtor, whether now existing or hereafter arising, pursuant to the Personal Property Security Act, R.S.O. 1990, c. P.10 ("the PPSA") and the property described herein (hereinafter referred to as "the Collateral").

2.2 All phrases that are defined in the IPA and not otherwise defined in this Security Agreement shall have the meaning ascribed by the IPA, and all phrases not otherwise defined in this Security Agreement shall have the meaning ascribed by the PPSA.

3.0 **Obligations** For certainty, the Obligations shall include, but shall not be limited to,

- 3.1 the obligation to pay to Performers any and all fees due for their services performed or to be performed in the Production and any and all compensation due by reason of the distribution of all or part of the Production, in accordance with and as defined by the terms of the IPA; and
- 3.2 the obligation to pay insurance and retirement savings contributions for the benefit of Performers, in accordance with the IPA, subject to any of the above obligations being assumed in writing by another entity by means of a Purchaser's Assumption Agreement or a Distributor's Assumption Agreement, with approval of ACTRA (not to be unreasonably withheld), whereupon they shall be excluded from the obligations secured hereunder; and
- 3.3 the full, timely, and faithful performance by the Producer of all terms, provisions, covenants, conditions, agreements, and obligations contained in or contemplated by this Security Agreement and the IPA.

4.0 **Collateral**

- 4.1 "Collateral" means all right, title, and interest of the Producer in and to the Production, each of the component elements thereof, and all rights appurtenant thereto, together with any and all proceeds and avails thereof. For certainty, no right or interest with respect to sequels, prequels, remakes, spinoffs, or episodic series based on or derived

from the Production or any of its underlying works, nor any right to monies derived through the exploitation of ancillary, allied, underlying, and like rights such as merchandising, novelization, music publishing, soundtrack, and sequel rights. Any reference to the Collateral shall, unless the context requires otherwise, be deemed a reference to “the Collateral or any part thereof.” For certainty, the Collateral includes

- 4.1.1 all debts, accounts receivable, demands, and choses in action that are now due, owing, or accruing due or that may hereafter become due, owing, or accruing due to the Debtor and all claims of whatsoever nature or kind that the Debtor now has or may hereafter have, including claims against the Crown and claims under insurance policies;
- 4.1.2 all contracts, securities, bills, notes, lien notes, judgements, chattel mortgages, mortgages, and all other rights and benefits that now are or may hereafter be vested in the Debtor in respect of or as security for any of the said debts, demands, choses in action, and claims;
- 4.1.3 all books, accounts, invoices, letters, papers, and documents in any way evidencing or relating to any of said debts, demands, choses in action, and claims;
- 4.1.4 all negatives, videotapes, lavenders, dupes, soundtracks, and positive prints connected with the Production, whether in completed form or in some stage of completion, or any other media upon which the Production is recorded, and all rights in the said media and other assets related to the Production of any nature, and any proceeds therefrom now owned or that may from time to time be owned and acquired by the Debtor;
- 4.1.5 the single production right to the original idea and story upon which the Production is based and all scripts, screenplays, and other written materials used or to be used in connection with the Production;
- 4.1.6 synchronization rights in and to the lyrics, music, and musical compositions as may be owned or acquired by the Producer for use in the Production to the extent of such single use only;
- 4.1.7 all copyrights and licences obtained or to be obtained by

the Producer for use in connection with the Production to the extent of such single use only;

4.1.8 all sums obtained or to be obtained by the Producer from distribution, exhibition, and exploitation of the Production, including without limitation all moneys due or to become due to the Producer under any distribution agreements entered into by the Producer for distribution of the Production; and

4.1.9 all recoveries under insurance policies issued in connection with the Production.

4.2 The Debtor expressly warrants that to the best of its knowledge and belief it has good title to its interest in the Collateral now due and will have good title to its interest in the Collateral to become due, free and clear of all liens and encumbrances except for the Security Interest granted hereby, the Security Interests in Paragraph 7.1 hereof, or as disclosed to ACTRA, and that no restrictions exist or will exist, by agreement or otherwise, with respect to any of the said Collateral that impair the right of the Debtor to make this charge.

5.0 **Enforcement Costs** ACTRA acknowledges that it shall be solely responsible for all costs and expenses, including legal fees and disbursements, in perfecting and enforcing any of its rights under this Security Agreement, save and except as herein provided.

6.0 **Rights and Obligations of Debtor**

6.1 The Producer shall

6.1.1 at no cost, execute and deliver such further agreements, contracts, documents, and instruments (each a “Security Document”) as ACTRA may reasonably prepare, require to perfect, protect, or maintain the Security Interest provided for herein. If, within ten (10) business days of notice from ACTRA requesting any such Security Document, the Producer fails to execute and deliver it consistent with the rights of ACTRA or to provide ACTRA with notice specifying with particularity the Producer’s objection to so doing, then the Producer hereby irrevocably appoints ACTRA its true and lawful attorney-in-fact to execute, deliver, file, and record, on its behalf and in its name, such Security Document. ACTRA will promptly provide the Producer with

- a true and complete copy of each Security Document executed by ACTRA under this paragraph, along with full information regarding each jurisdiction where it has been registered, filed, or recorded.
- 6.1.2 use all reasonable good-faith business efforts to defend, at its own cost and expense, the Producer's right, title, and interest in and to the Collateral, and the Security Interest and rights of ACTRA, against all claims of infringement and against any and all claims by third parties arising out of or resulting from the use in the Production of any story, adaptation, idea, impersonation, character, photograph, music, musical composition, or other material, provided that the Producer may satisfy this requirement if the Producer causes ACTRA to be named as an additional insured, as its interest may appear, on any standard policy of errors and omissions insurance maintained by the Producer or its successors in interest with respect to the Production.
- 6.2 ACTRA acknowledges that the Producer and its successors, licensees, and assigns are the persons undertaking the release and exploitation of the Production and all rights within or arising from it. ACTRA further acknowledges that prior to ACTRA's realizing on its Security Interest in accordance with this Security Agreement, nothing in this Security Agreement authorizes or permits ACTRA to delay, enjoin, impede, impair, or otherwise interfere with the development, production, distribution, advertising, marketing, turning to account, or other exploitation of the Production or any of the Collateral that is undertaken, authorized, permitted, or allowed by the Producer or any of its successors, licensees, or assigns in the sole exercise of their good-faith business judgement, and nothing in this Security Agreement requires or prevents the Producer or any of its successors in interest from taking or refraining from taking any action for any infringement or piracy of any rights in the Production or the Collateral. ACTRA agrees that the Producer has no obligation under this Security Agreement to release the Production or to exploit the Production or to realize any moneys with respect thereto in any manner.
- 6.3 Until default or unless otherwise agreed with the Secured Party, the Debtor may deal with the Collateral in the ordinary course of the Debtor's business in any manner consistent with the provisions of this

Security Agreement. If the Debtor desires to change its principal place of business or mailing address from that described in Paragraph 5(a) above or if the Debtor wishes to move its records and accounts from that place described in Paragraph 5(b) above, or if the Debtor wishes to move the Production negatives or positive copies of the Production from the locations described in Paragraphs 5(b), 5(c), and 5(d) above, the Debtor shall notify the Secured Party of the relevant change and do all such acts and execute all such documents as are required by ACTRA to effectively preserve and perfect the Secured Party's security therein in the jurisdiction to which such assets have been moved. For clarity, nothing herein shall require the Debtor to notify ACTRA of the removal by any distributor of prints incorporating the Production.

- 6.4 The Debtor shall defend its own rights in the Collateral against the claims and demands of all persons. The Debtor shall use its best efforts to maintain the negative and positive copies of the Production in the Debtor's possession in a condition and state of repair that preserves the value of such Collateral. The Debtor will not knowingly commit or permit damage to or destruction of the negative of the Production.
- 6.5 The Debtor shall notify the Secured Party promptly of
- (a) any material change in the information contained in this Agreement (including the schedules hereto) relating to the Debtor, the Debtor's business, or the Collateral,
 - (b) the details of any change in name or address of the Debtor or location of the Collateral;
 - (c) the details of any disposition of the negative of the Production;
 - (d) the details of any claim or litigation materially affecting ownership of the Collateral;
 - (e) any material loss of or damage to the Collateral;
 - (f) any material default known to the Debtor by any distributor or broadcaster that materially affects the likelihood of further Use fees to ACTRA in respect of the Production.
- 6.6 The Debtor will conduct its business and affairs in a proper and efficient manner in accordance with applicable law and keep records relating to the Production in accordance with generally accepted accounting procedures. The Debtor shall pay all charges, taxes, assessments, claims, liens, and encumbrances relating to the Collateral or the Debtor's business and affairs when the same become due. The Debtor will promptly deliver to the Secured Party such information concerning

the Collateral, the Debtor, and the Debtor's business and affairs as the Secured Party may reasonably request.

7.0 Subordination of ACTRA Security Agreement

7.1 ACTRA acknowledges and agrees that the Security Interest will rank subordinate to security interests of the following: chartered bank, trust company, or other recognized lending institution; government-funded financiers; and (subject to the prior written approval of ACTRA) other lenders or financiers that specifically require priority providing project financing in respect of the Production. Specifically in respect of the Production, ACTRA hereby acknowledges and agrees that its Security Interest hereunder ranks subordinate to the security interests, whether registered or otherwise, of the following secured parties with respect to the Debtor and the Collateral:

Prior Secured Parties: _____

7.2 ACTRA further acknowledges that the Producer or its assigns, affiliates, or successors have licensed and may from time to time license certain rights in the Production to one or more distributors or licensees, which rights either have been or may be secured by security interests with respect to rights granted to them. ACTRA agrees that so long as all statements of receipts and payments have been in a timely way paid or made by such distributor or licensee to the Producer, with respect to the rights and territories granted to such distributor or licensee, ACTRA will not disturb the peaceful and quiet enjoyment of the rights granted to such distributor or licensee, nor attempt to enjoin, impair, or interfere with the exercise of its rights.

7.3 In the event that the Producer defaults (as per Article 8) and fails to adequately assert or protect its contractual or other rights to receive payments from third parties pursuant to licensing or distribution agreements or the like, the Debtor agrees that ACTRA shall have the right of subrogation and it shall be entitled to take any steps it deems necessary for the protection of such rights, including, but not limited to, the right to commence any legal action in the place of the Debtor. However, any such step or action shall be in ACTRA's name and at ACTRA's sole expense. ACTRA shall be reimbursed from any funds recovered for any and all reasonable costs of the action, audit, or the like in first position. All recovered funds shall be directed to be paid and held by a trustee, who will disburse such funds in accordance with entitlement.

- 8.0 Events of Default** The Debtor shall be in default under this Security Agreement upon occurrence of any of the following:
- 8.1 non-payment when due, whether by acceleration or otherwise, of any amounts secured by this Security Agreement, or the failure to comply with any provisions of Part B of the IPA in any material way, subject to Paragraph 8.2;
 - 8.2 failure to comply within thirty (30) days after written notice from the Secured Party demanding compliance with any provision contained in the IPA or this Security Agreement, and if compliance is not practically possible, failure to take steps that will produce compliance as soon as is reasonably practical;
 - 8.3 if any representation or statement made or furnished in this Security Agreement or under the IPA to the Secured Party by or on behalf of the Debtor proves in any material respect to have been false when made or furnished;
 - 8.4 bankruptcy of the Debtor; the filing against the Debtor of a petition in bankruptcy if such petition remains uncontested for thirty (30) days; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver, trustee, or liquidator for the Debtor or for any asset of the Debtor if such appointment continues for thirty (30) days or more; or the institution by or against the Debtor of any type of insolvency proceeding or creditor rearrangement.
- 9.0 Secured Party Rights and Obligations**
- 9.1 In addition to the rights granted herein, the Secured Party may enforce any other rights and remedies it may have at law or in equity, and specifically shall have all rights and remedies of a secured party under the PPSA. All rights and remedies of the Secured Party shall be cumulative.
 - 9.2 The Secured Party shall have the right at any time upon reasonable notice to confirm the existence and state of the Collateral in any manner the Secured Party may consider appropriate, and the Debtor agrees to furnish all assistance as the Secured Party may reasonably request in connection therewith. Upon the occurrence of an event of default, the Debtor grants to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor, for the purposes of inspection or obtaining possession.
 - 9.3 The Secured Party may appoint by instrument a receiver or other person to act on its behalf before or after default or in any insolvency or

like proceedings (“receiver” includes a receiver-manager). The appointee has all the powers of the Secured Party under this Security Agreement. In addition, on instructions from the Secured Party, the receiver shall be entitled in connection with any enforcement proceeding hereunder to carry on the business of the Debtor in respect of the Production, with all the powers that the Debtor would have to operate its business, for such time as the receiver determines advisable and in the best interest of the Secured Party.

- 9.4 The Secured Party may, subject to the Debtor’s rights under the PPSA, take possession of, collect, demand, sue on, enforce, recover, and receive the Collateral and give binding receipts and discharges therefor. The Secured Party in possession may, subject to the Debtor’s rights under the PPSA, use the Collateral as it sees fit, providing that any income from the Collateral is applied to the Debtor’s account. Upon default, the Secured Party may also, subject to the Debtor’s rights under the PPSA, sell, lease, or otherwise dispose of the Collateral in any commercially reasonable manner.
- 9.5 At any time after the occurrence of an event of default, the Secured Party may direct account debtors of the Debtor in respect of the Production to make all payments owing to the Debtor directly to the Secured Party, by notifying such account debtors of the Secured Party’s interest, either before or after default; and upon notice from the Secured Party to the Debtor, any payments received by the Debtor in respect of the Production, whether before or after notification to account debtors, shall be held by the Debtor in trust for the Secured Party in the same medium in which received, shall not be commingled with any assets of the Debtor, and shall be turned over to the Secured Party forthwith upon receipt.
- 9.6 The Debtor agrees to pay, subject to limitations under the PPSA or the IPA, all charges, including solicitors’, auditors’, receivers’, or like persons’ costs and remuneration, or other expenses reasonably incurred by the Secured Party or other party appointed by the Secured Party in operating the Debtor’s accounts, but the Secured Party shall pay the fees and expenses of preparing or otherwise enforcing the terms of this Security Agreement.
- 9.7 No variation, amendment (except for any schedule that may be added hereto pursuant to the provisions of this Agreement), or waiver of any provision of this Security Agreement shall be effective unless made by written agreement executed by the Parties to this Security Agreement. The Secured Party may remedy any default or perform any duty of the

Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. The Secured Party may grant extensions of time and other indulgences; take and give up securities; accept compositions, grant releases, and discharges; release the Collateral to third parties; and otherwise deal with the Debtor's guarantors or sureties and others, and with the Collateral and other securities, as the Secured Party may see fit, without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Collateral.

- 10.0 **Successor Interests** This Security Agreement shall enure to the benefit of and be binding on the Parties hereto and their respective heirs, executors, administrators, successors, and assigns.
- 11.0 **Applicable Law** This Security Agreement shall be governed by the laws of the Province of Ontario, unless otherwise agreed by the Parties.
- 12.0 **Termination** Upon provision to ACTRA of a Purchaser's Assumption Agreement, a Distributor's Assumption Agreement, or a Distribution Guarantee in accordance with the provisions of the IPA, ACTRA shall be deemed to have discharged its security interest, and ACTRA shall, at the written request of and at no cost to the Debtor, cancel and discharge all security interests under this Security Agreement and execute and deliver to the Debtor such deeds or other instruments (collectively "Release Documents"; individually a "Release Document") as shall be required to effect such discharge, and to register notice of such discharge under the PPSA and such other jurisdictions as the Secured Party may have registered its security interest. If within ten (10) business days of notice from the Debtor requesting any such Release Document, ACTRA fails to execute and deliver it or to provide to Debtor notice specifying with particularity ACTRA's objection to so doing, then ACTRA hereby irrevocably appoints the Debtor its true and lawful attorney-in-fact to execute, deliver, file, and record on its behalf and in its name such Release Documents. The Debtor will promptly provide ACTRA with a true and complete copy of each Release Document executed by the Debtor under this Paragraph, along with full information regarding each jurisdiction where it has been registered, filed, or recorded.

Tab 10 – Calculation of Amounts Owning

Calculation of Amounts Owing

B406 Compact Devices Calculation

Region:	Performer Net Fees per ACTRA:	% for each Year of Use:	Net Fee Amount/year:	Feb 4, 2020 - Feb 4, 2023
Canada	\$234,781.67	10%	\$23,478.17	\$70,434.51
United States	\$234,781.67	15%	\$35,217.25	\$70,434.50
Foreign	\$234,781.67	15%	\$35,217.25	\$70,434.50

B408 NEW MEDIA Use fees Calculation

Region	Performer Net Fees per ACTRA:	% for each Year of Use:	Net Fee Amount/year	Dec 13, 2019 - Dec 13, 2022
Canada	\$234,781.67	10%	\$23,478.17	\$46,956.33
United States	\$234,781.67	15%	\$35,217.25	\$70,434.50
Foreign	\$234,781.67	15%	\$35,217.25	\$70,434.50

Subtotal	\$586,954.17
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Insurance & Retirement	\$70,434.50
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12% of Subtotal
IPA A3801 and A3802

ACTRA PRS Administration Fee	\$5,869.54
------------------------------	------------

1% of Subtotal
IPA A3702 b)

Grand Total	\$663,258.21
-------------	--------------

APPENDIX B

To the Second Report of the Receiver

Williams, Richard

From: Sanj Mitra <smitra@airdberlis.com>
Sent: Monday, June 6, 2022 10:38 AM
To: Michael Murray
Cc: Williams, Richard; James Satin; Tamie Dolny; Sanj Mitra
Subject: [EXT] RE: Proof of Claim Form

Hi Michael,

I am happy to speak to you.

You should note that the Receiver was appointed to facilitate the assessment and collection of the film tax credits. This narrow scope has been substantially completed and the Receiver is seeking its discharge once the tax credit proceeds have been paid to RBC.

Any concerns relating to ongoing reporting of production revenues, IP and the distribution of proceeds of same should be addressed directly with Back 40 and the secured creditors of that business rather than the Receiver.

Let me know if you want to schedule a call or a Teams meet.

Thanks

Sanj

Sanjeev Mitra
Aird & Berlis LLP

T 416.865.3085
E smitra@airdberlis.com

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From: Michael Murray <MMurray@actra.ca>
Sent: June 5, 2022 7:45 PM
To: Sanj Mitra <smitra@airdberlis.com>
Cc: Williams, Richard <richwilliams@deloitte.ca>; James Satin <James.Satin@devrylaw.ca>; Tamie Dolny <tdolny@airdberlis.com>
Subject: RE: Proof of Claim Form

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Hi Sanj,

We unfortunately have heard nothing from the debtor in this process so we have a lack of transparency into what assets remain in the corporation. While we believe we have security in many assets we acknowledge, depending on the Security Agreement between RBC and Back 40, we will be behind RBC for many categories of assets due to the timing registration (we acknowledge RBC registered first).

We could use a conversation to understand

We are particularly interested in whether RBC is placing claim over the intellectual property in the corporation, if it is whether it intends to sell such the IP, and to what entity it plans to sell. If the debtor has been responsive to RBC any information that we can share could assist us greatly in ensuring that the proper entity assumes the responsibility for reporting and paying performer's Use fees for the production, ideally since the time they came due., but at minimum on a go forward basis. This is our one and only objective.

Perhaps you and I could arrange a call to discuss. The conversation would help us better understand if we are in an opposition to any part of the receivership and possible next steps, including the potential to engage counsel.

Thanks,

Michael

Michael Murray

Director | PRS | ACTRA

From: Sanj Mitra <smitra@airdberlis.com>

Sent: June 3, 2022 4:49 PM

To: Michael Murray <MMurray@actra.ca>

Cc: Williams, Richard <richwilliams@deloitte.ca>; James Satin <James.Satin@devrylaw.ca>; Sanj Mitra <smitra@airdberlis.com>; Tamie Dolny <tdolny@airdberlis.com>

Subject: FW: Proof of Claim Form

Mr. Murray, your email below has been forwarded to me.

There is presently no claims process called for in this receivership. The document you used was for the purposes of a bankruptcy proceeding rather than a receivership proceeding. I thought that I would mention for future situations if they arise. Regardless, I had a look at the documents you sent but don't seem to have received anything which would give ACTRA priority over the other PPSA creditors. Please clarify if I have misinterpreted your documents. My client may have additional questions if the priority issue is not resolved.

I have also copied in Mr. Satin who acts for RBC. If you are going to assert any priority over RBC please copy him with any response so that the parties can understand your position.

We would appreciate your response by 5:00 p.m. on June 9, 2022 as the Receiver will be filing a supplementary report to include the proof of claim that you sent along with this email exchange next Friday and we would like to be able to advise the Court of the status of any opposition.

Also, will you be engaging counsel for the hearing as I believe that will be required if the matter is argued.

Thanks

Sanj

Get [Outlook for iOS](#)

From: Michael Murray <MMurray@actra.ca>

Sent: Friday, June 3, 2022 2:35:42 PM

To: Williams, Richard <richwilliams@deloitte.ca>

Cc: Kortnee Borden <kborden@actra.ca>; Adela Sas <asas@actra.ca>

Subject: [EXT] RE: Proof of Claim Form

Hello Richard,

Apologies for the delay,

Please find the ACTRA PRS Proof of Claim attached.

Let me know if you want to connect by phone or video call at any time to discuss.

Be well,

Michael

Michael Murray

Director | PRS | ACTRA

From: Williams, Richard <richwilliams@deloitte.ca>

Sent: May 30, 2022 11:19 AM

To: Michael Murray <MMurray@actra.ca>

Subject: RE:Proof of Claim Form

Hi Michael,

As our lawyer mentioned, we intend on serving our materials for the June 14th court date before the end of the week. If you are submitting any additional documentation in support of your claim or priority, please do so as soon as possible.

Regards,

--

Richard Williams CPA, CIRP, LIT
Deloitte LLP | Deloitte Restructuring Inc.
(416) 258-8761
richwilliams@deloitte.ca

From: Michael Murray <MMurray@actra.ca>

Sent: Thursday, May 26, 2022 11:55 AM

To: Williams, Richard <richwilliams@deloitte.ca>

Subject: [EXT] Proof of Claim Form

Hi Rich,

As we are preparing our proof of claim we know that firms often prefer if we use their form, if you have such a form could you send it along?

Thanks,

Michael

Michael Murray

Director | PRS | ACTRA

625 Church St., 3rd Floor | Toronto | ON | Canada | M4Y 2G1
416-992-7189



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TAB 3
Service List

SERVICE LIST
DELOITTE / BACK 40
M# 157479

VIA EMAIL TRANSMISSION

TO: AIRD & BERLIS LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

SANJEEV MITRA
Tel: 416.865.3085
Fax: 416.865.1500
Email: smitra@airdberlis.com

Lawyers for the Receiver, Deloitte

AND TO: DEVRY SMITH FRANK LLP
Lawyers & Mediators
95 Barber Greene Road, Suite 100
Toronto, ON M3C 3E9

JAMES SATIN
Tel: 416.449.1400
Fax: 416.449.7071
Email: satin@devrylaw.ca

Lawyers for the Applicant, Royal Bank of Canada

AND TO: CASSELS BROCK & BLACKWELL LLP
Suite 2100, Scotia Plaza
40 King St. W.
Toronto, ON M5H 3C2

MONIQUE SASSI
Tel: 416 860 6886
Main: 416 219 4919
Email: msassi@cassels.com

Lawyers for Media Financed Capital Limited

AND TO: CANADA REVENUE AGENCY
c/o Department of Justice
The Exchange Tower
130 King Street West
Suite 3400
Toronto, ON M5X 1K6

DIANE WINTERS
Tel: 416.973.3172
Email: diane.winters@justice.gc.ca

AND TO: MINISTRY OF FINANCE
Legal Services, 11th Flr.
777 Bay St.
Toronto, Ontario M5G 2C8

Email: insolvency.unit@ontario.ca

AND TO: ACTRA PERFORMERS' RIGHTS SOCIETY
625 Church Street, Suite 300
Toronto, ON M4Y 2G1

MICHAEL MURRAY
Director | PRS | ACTRA

Email: mmurray@actra.ca

VIA COURIER

TO: ELIZABETH SEYMOUR
NATIONAL MANAGER, COLLECTIONS
WILLIAM F. WHITE INTERNATIONAL INC.
8363 Lougheed Highway
Burnaby, BC V5A 1X3

Tel: 604.253.5050
Mob: 604.787.8402

EMAIL SERVICE:

satin@devrylaw.ca; smitra@airdberlis.com; diane.winters@justice.gc.ca; insolvency.unit@ontario.ca;
mmurray@actra.ca; msassi@cassels.com

44069936.4

ROYAL BANK OF CANADA- and - **BACK 40 PICTURES INC.**

Applicant

Respondent

Court File No. CV-20-00642755-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

SUPPLEMENTARY MOTION RECORD
(returnable June 14, 2022)

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
P.O. Box 754
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO#: 37934U)
Tel: (416) 865-3085
Email: smitra@airdberlis.com

Tamie Dolny (LSO#: 77958U)
Tel: (647) 426-2306
Email: tdolny@airdberlis.com

Lawyers for the Receiver