

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

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**MOTION RECORD OF THE RECEIVER**  
(Motion returnable April 18<sup>th</sup>, 2017)

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April 5, 2017

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Ave.  
Suite 1600  
Toronto, ON M5G 1V2

**Mario Forte [LSUC No. 27293F]**  
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Lawyers for Deloitte Restructuring Inc.

**TO: THE SERVICE LIST**

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TAB 1

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

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NOTICE OF MOTION  
(Motion Returnable April 18, 2017)

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Deloitte Restructuring Inc. in its capacity as the Court-appointed Receiver (in such capacity, the “Receiver”), without security, of all the assets, undertakings and properties (collectively, the “Property”) of Arc Productions Ltd. and its subsidiaries and affiliates, which consist of the other corporate defendants described in the title of proceedings (collectively, “Arc”) will make a Motion to a Judge of the Commercial List, on April 18, 2017 at 10:00 a.m. or soon after that time as the motion can be heard, at 330 University Avenue, 8th Floor, Toronto, Ontario.

**THE PROPOSED METHOD OF HEARING:** The motion is to be heard:

- \_\_\_ in writing under subrule 37.12.1(1) because it is made without notice;
- \_\_\_ in writing as an opposed motion under subrule 37.12.1(4); or
- X orally.

**THE MOTION IS FOR:**

1. An Order, if necessary, abridging the time for service of the Receiver's notice of motion and motion record and validating the service of such motion materials;
2. An Order in the form attached as **Schedule "A"**:
  - a. approving the activities of the Receiver since December 5 , 2016 set out in the fifth report of the Receiver dated March 27 , 2017 (the "**Fifth Report**");
  - b. approving the fees of the Receiver for the period from November 1, 2016 to February 28, 2017 and the fees of the Receiver's legal counsel for the same period; and
  - c. authorizing the Receiver to make distributions to the secured creditor, Grovesnor Park Media Fund LP (the "**Secured Creditor**"), from time to time, subject to the terms and conditions of the draft order filed herein.
3. Such further and other relief as this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

**Background to this Motion**

1. Arc was in the business of providing animation and computer graphic services to the film and television industry and had approximately 550 full time and contract employees;

2. On July 29, 2016, the Secured Creditor brought a motion seeking the appointment of an Interim Receiver over Arc and the other corporate defendants. That motion was granted by the Honourable Mr. Justice Wilton-Siegel, and the Interim Receiver was appointed pursuant the Interim Receivership Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 29, 2016. On Tuesday, August 2, 2016, the Secured Creditor sought and obtained the (fresh) Interim Receivership Order;
3. On August 10, 2016, the Court made an order appointing Deloitte Restructuring Inc. Receiver over the assets, undertakings and properties of Arc for the purpose of, among other things, pursuing a sale transaction for substantially all of the assets of Arc and its affiliates, in respect of which the Interim Receiver had concluded a binding but conditional letter of intent with the then prospective purchaser Jam Filled Entertainment (Toronto) Inc. (“**Jam Filled**”);
4. Subsequently, the Receiver and Jam Filled entered into an Amended and Restated Purchase Agreement which transaction was closed on August 22, 2016;
5. Since September 2, 2016 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, and facilitating access to information pertaining to Arc’ business and affairs in connection with lien and related litigation among certain litigants;

**Activities since December 5, 2016**

6. The Receiver has completed administering employees’ Wage Earner Protection Program Act (“**WEPP**”) applications and responded to employee inquiries as received;

7. The Receiver continues to facilitate the collection of tax credits from Ontario Computer Animation and Special Effects, Ontario Production Services Tax Credit and Production Services Tax Credit as well as the relevant filings pertaining to such tax credits as more particularly set out in Receiver's Fifth Report, filed;

**Distributions contemplated**

8. On January 27, 2017, the Court made an Order authorizing the Receiver to assign Arc into bankruptcy. The Receiver has done so, and the Office of the Superintendent of Bankruptcy issued a Certificate of Appointment of Deloitte Restructuring Inc. as trustee of Arc on January 31, 2017;
9. The Receiver will be making payments of \$1,087,019 to CRA in relation to the deemed trust for payroll source deduction arrears and \$1,053,157 to ESDC in relation to employee claims for unpaid wages pursuant to WEPPA, both of which rank in priority to the secured creditors' claims;
10. The Secured Creditor's security is valid and enforceable against the assets, property and undertaking of Arc and the corporate defendants.
11. The Receiver intends to make a distribution to the Secured Creditor in respect of a portion of the secured debt owing to it by Arc.
12. The Receiver has held back sufficient funds from this proposed distribution to settle estimated future costs and fees relating to the administration of the receivership proceedings, funding of the bankruptcy administration, and payments to contract employees and third party professionals in relation to tax credit administration and for contingencies.
13. Rules 1.04, 2.01, 3.02, and 37 of the *Rules of Civil Procedure*; and

14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The Fifth Report of Deloitte Restructuring Inc. as Receiver dated March 27 2017; and
2. Such further and other documentary evidence as counsel may advise and this Honourable Court may accept.

**DATE: April 5, 2017**

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
TORONTO, ON M5G 1V2  
Fax: 416-597-3370

**Mario Forte (LSUC #:27293F)**  
Tel: 416-597-6477  
Email: forte@gsnh.com

Lawyers for Deloitte Restructuring Inc. in its capacity as the Court appointed Receiver of Arc Productions Ltd. et al.

**TO: THE SERVICE LIST**



TAB 2

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

THE HONOURABLE ) TUESDAY, THE  
JUSTICE )  
 ) 18<sup>TH</sup> DAY OF APRIL, 2017

B E T W E E N:

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

**Plaintiff**

**- and -**

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

**Defendants**

**DISTRIBUTION ORDER**

Deloitte Restructuring Inc. in its capacity as the Court-appointed Receiver (in such capacity, the “Receiver”), without security, of all the assets, undertakings and properties (collectively, the “Property”) of Arc Productions Ltd. and its subsidiaries and affiliates, which consist of the other corporate defendants described in the title of proceedings (collectively, “Arc”), will make a

Motion to a Judge of the Commercial List, on • 2017 at 10:00 a.m. or soon after that time as the motion can be heard, at 330 University Avenue, 8th Floor, Toronto, Ontario.

ON READING the Fifth Report of the Receiver dated March 27, 2017, (the “**Fifth Report**”) and the affidavits of the Receiver and its counsel as to fees, and on hearing the submissions of counsel for the Receiver and of the Plaintiff, no one else appearing although properly served as appears from the affidavit of Mario Forte sworn March 23, 2017 filed:

### **SERVICE**

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

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

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

3. **THIS COURT ORDERS** that the fees of the Receiver and its counsel, as set out in the Fifth Report, are hereby approved.

### **DISTRIBUTIONS**

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

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

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

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**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

**APPROVAL AND VESTING ORDER**

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

**Mario Forte** (LSUC #: 27293F)

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Lawyers for Deloitte Restructuring Inc.

TAB 3

**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

**FIFTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.  
(March 27, 2017)**

1. This report is filed by Deloitte Restructuring Inc. (the "Receiver") in its capacity as receiver of the assets, properties and undertakings of Arc Productions Ltd. and the other corporate Defendants (collectively, "Arc" or the "Company") and the other Property as defined in the Receivership Order granted by the Honourable Mr. Justice Penny on Wednesday, August 10, 2016 (the "Receivership Order").
2. The Receiver has 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; and
- (d) a fourth report of the Receiver dated December 5, 2016 in connection with the Receiver's recommendation to assign Arc into bankruptcy.

Copies of these reports and other materials relevant to the Receivership can be accessed from the Receiver's website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca).

3. In preparing this Fifth 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 Fifth 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 Fifth Report in its capacity as a Court-appointed officer to support the Court’s approval of the relief being sought. Parties using the Fifth 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 Fifth 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 December 5, 2016 in respect of administering these receivership proceedings;
- (b) the Receiver’s future activities required in respect of administering these receivership proceedings;
- (c) the distribution of available proceeds in the estate from time to time to Arc’s senior secured lender, Grosvenor Park Media Fund L.P. (“GP”);
- (d) the Receiver’s statement of receipts and disbursements to March 6, 2017;

- (e) the fees of the Receiver and its legal counsel for the periods from November 1, 2016 to February 28, 2017; and,
- (f) 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 of 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 December 5, 2016**

12. The Receiver has completed administering employees' Wage Earner Protection Program Act ("WEPP") applications and responded to employee inquiries as received. Employment and Social Development Canada ("ESDC") provided the Receiver with a statement of account outlining an amount owing of \$1,948,031 of which \$1,053,157 is a super priority claim and the remaining amount of \$894,874 is an unsecured claim.
13. The Receiver has and continues to respond to requests from former employees for replacement copies of T4 slips.

14. Various parties have contacted the Receiver requesting certain information in connection with legal proceedings involving Arc. The Receiver continues to facilitate such reasonable information requests.
15. 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 which arose in connection with Arc’s work on various productions. 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.
16. To date, the Receiver has received and deposited the following tax credits for TF I Productions Inc. in relation to the December 31, 2014 tax year-end:

<b>TF I Productions Inc. Refund</b>	<b>Assessed Amount</b>
Part I Federal Tax	\$15.00
OPSTC	2,263,296.00
PSTC	436,585.00
Refund Interest	49,865.49
<b>Total</b>	<b>\$2,749,731.49</b>

**D. Assignment in Bankruptcy of Arc**

17. On January 27, 2017, the Court made an Order authorizing the Receiver to assign Arc into bankruptcy. The Receiver has done so, and the Office of the Superintendent of

Bankruptcy issued a Certificate of Appointment of Deloitte Restructuring Inc. as trustee of Arc on January 31, 2017.

18. The first meeting of creditors in the bankruptcy of Arc Productions Ltd. was held on February 15, 2017 at the offices of Deloitte Restructuring Inc. at 22 Adelaide Street West, Suite 200, Toronto, Ontario at 10:00 a.m. Paul M. Casey, representing Deloitte as Trustee, acted as Chairperson (the "Chairperson") pursuant to Section 105(1) of the Bankruptcy and Insolvency Act (the "BIA"). Proofs of Claim were reviewed and a quorum was established by the presence of at least one creditor present in person or by proxy holding a properly completed Proof of Claim. The Chairperson declared that the meeting was properly constituted at 10:00 a.m. and called the meeting to order. The Trustee's appointment was affirmed by the creditors. Brad Sherman of GP, Andrew Hatnay of Koskie Minsky LLP (representative counsel to the employees) and Sean Clarke of Ecclestone LLP (lawyers for Vestacon Limited) were appointed as Inspectors.
19. The first meeting of inspectors followed the adjournment of the first meeting of creditors. Goldman Sloan Nash & Haber LLP ("GSNH") was affirmed as the Trustee's legal counsel. The Inspectors approved the Trustee's Statement of Account to January 31, 2017 in the amount of \$27,213 including expenses and HST and authorized the Trustee to make an interim draw from the estate bank account to pay the account when funds were available. In a letter to the Trustee on January 30, 2017, GP agreed to indemnify Deloitte from losses in connection with the bankruptcy appointment other than as a result of gross negligence and that Trustee reasonable fees and disbursements, including legal fees and

disbursements and other reasonable costs may be paid by way of advances to the bankrupt estate from Court-approved distributions from the receivership estate.

**E. Future Receivership Activities Required**

20. 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 (the “Credits”). This process will continue for a number of years.
21. The Receiver will complete the filing of corporate and HST tax returns, and other statutory reporting requirements pursuant to the *Bankruptcy and Insolvency Act*.

**F. Proposed Distribution**

22. Pursuant to the Proof of Claim Form filed by GP in the bankruptcy of Arc, GP has proven secured debts against the estate of Arc of \$43,953,400. As reported in the Receiver’s Fourth Report, it is GSNH’s view that, subject to the customary qualifications and limitations, GP’s security is valid and enforceable against all of the assets, properties and undertakings of Arc.
23. Attached as Appendix “A” is the Proof of Claim Form filed by Canada Revenue Agency in the bankruptcy of Arc setting out the details of its deemed trust claim for unpaid employee source deductions as at the date of the bankruptcy. The Receiver has reviewed this amount and believes it to be accurate.

24. Attached as Appendix "B" is the most recent Statement of Account from ESDC dated January 28, 2017 setting out this superpriority claim. The Receiver has reviewed this amount and believes it to be accurate.
25. The Receiver will be making payments of \$1,087,019 to CRA in relation to the deemed trust for payroll source deduction arrears and \$1,053,157 and to ESDC in relation to employee claims for unpaid wages pursuant to WEPPA, both of which rank in priority to the secured creditors' claims.
26. At this time, the Receiver is seeking Court approval of a distribution of available surplus funds to GP in the amount of \$800,000.
27. The Receiver has held back sufficient funds from this proposed distribution to settle estimated future costs and fees relating to the administration of the receivership proceedings, funding of the bankruptcy administration, and payments to contract employees and third party professionals in relation to tax credit administration and for contingencies.
28. The Receiver is also seeking Court approval for future distributions from available surplus funds to GP as they become available up to a maximum of \$43,153,400 without further order of this Court. Such approval is without prejudice to any person's rights to claim a priority or ownership interest in Credits related to specific productions in which Arc was engaged. The Receiver anticipates that prior to any distribution of funds in relation to Credits where priority or ownership interests might be asserted by parties other than GP, there will be a specific determination of such rights by the Court or agreement

among the affected parties. The present distribution is unrelated to any productions where such ownership or priority interest might arise.

**G. Statement of Receipts and Disbursements**

29. The receipts and disbursements of the Receiver up to and including March 6, 2017 are summarized in the Receiver's Statement of Receipts and Disbursements attached to this Fifth Report as Appendix "C". As at March 6, 2017, there is a surplus of receipts over disbursements, before accrued receivership liabilities, of \$3,304,000. Total receipts of \$4,947,000 are primarily comprised of cash on hand, film tax credits recoveries, sale proceeds, and cost reimbursements.

Total disbursements of \$1,643,000 are comprised of the following major disbursements:

- (a) Receiver's interim billings totaling \$622,000 (excluding HST);
- (b) Receiver's legal counsel's interim billings of \$170,000 (excluding HST);
- (c) Payment to contract employees and third party professionals of \$256,000;
- (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**

30. Professional fees and disbursements charged by the Receiver in relation to the administration of the receivership for the period from November 1, 2016 to February 28, 2017 were \$68,412 (excluding HST). A copy of the Receiver's account for this period is included in the affidavit of Hartley Bricks sworn March 27, 2017 and is attached here as Appendix "D".
31. Professional fees and disbursements charged by the Goldman Sloan Nash & Haber LLP, independent legal counsel to the Receiver, for the period from November 1, 2016 to February 28, 2017 were \$13,041 (excluding HST). A copy of the GSNH's account for this period is included in the affidavit of Mario Forte sworn March 23, 2017 and is attached here as Appendix "E".

**I. Recommendations**

32. The Receiver recommends that the Court make an order:
- (a) Approving the reported actions of the Receiver since December 5, 2017 to date in administering these receivership proceedings; and
  - (b) Approving the distribution of available surplus funds from the receivership estate to GP up to \$43,953,400 without further order of this Court;
  - (c) Approving of the fees of the Receiver and its legal counsel for the period from November 1, 2016 to February 28, 2017.

All of which is respectfully submitted at Toronto, Ontario this 27<sup>th</sup> day of March, 2017.

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

A handwritten signature in black ink that reads "P. Casey". The signature is written in a cursive style with a small flourish at the end.

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

GROSVENOR PARK MEDIA FUND L.P.

and

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

**Plaintiff**

**Defendants**

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

Proceeding commenced at Toronto

**FIFTH REPORT OF THE RECEIVER**  
(March 27, 2017)

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

FIFTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.  
(March 27, 2017)

APPENDIX "A"

Proof of Claim (Form 31)  
(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)

Send all notices or correspondence regarding this claim to the following address:

Canada Revenue Agency  
London-Windsor Tax Services Office  
Collections Directorate  
Insolvency Intake Centre  
451 Talbot Street, 3rd Floor  
London ON N6A 4R3

Attention: S. Leonhard (1210)

In the matter of the bankruptcy of ARC PRODUCTIONS LTD. of the City of in the Province of Ontario, and the claim of Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, creditor.

I, S. Leonhard (1210), of the City of Ottawa in the Province of Ontario, do hereby certify:

1. That I am a resource officer/complex case officer of the Canada Revenue Agency.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the bankruptcy namely the January 31, 2017, and still is, indebted to the creditor in the sum of \$1,467,719.60, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.

4.

(X) SECURED CLAIM of \$1,087,019.07.

That in respect of this debt, I hold an interest in the assets of the debtor valued at \$1,087,019.07 as security, particulars of which are as outlined on the attached Schedule "A".

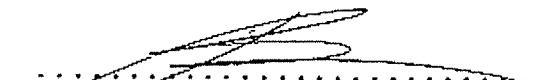
5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and has not dealt with the debtor in a non-arm's length manner.

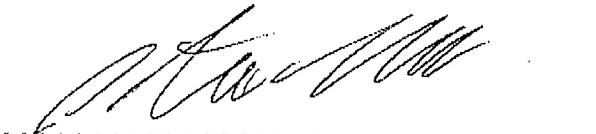
6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

7. Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Sworn before me at the City of Ottawa in the Province of Ontario, on February 13, 2017.

  
.....  
Commissioner of Oaths

  
.....  
Signature of Claimant

Schedule "A"

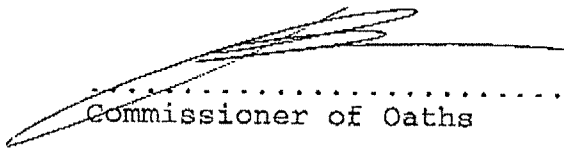
Name: ARC PRODUCTIONS LTD.

Secured claim

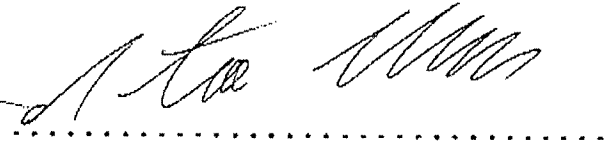
Tax Programs

Income Tax Act	
(as it relates to payroll deductions)	
Account number:	895877488rp0001
Assessed period(s):	totals
Principal:	\$1,087,019.07
Penalty and interest:	\$380,700.53
 Total:	 \$1,467,719.60

Sworn before me at the City of Ottawa in the Province of Ontario, on February 13, 2017.



.....  
Commissioner of Oaths



.....  
Signature of Claimant

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

FIFTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.  
(March 27, 2017)

APPENDIX "B"





Employment and  
Social Development Canada

Emploi et  
Développement social Canada

P.O. Box 2517/C.P. BOITE 2517  
LONDON ON N6A 4G9

028890

DELOITTE RESTRUCTURING INC.  
22 ADELAIDE ST W  
TORONTO, ON M5H 0A9

Page 1 of 1

Please retain this portion  
Veuillez s.v.p. conserver cette partie



Employment and  
Social Development Canada

Emploi et  
Développement social Canada

PAYMENT OFFICE / BUREAU DE PAIEMENT  
ESDC REMITTANCES / ENVOIS DE  
FONDS / PO BOX 7777  
MATANE QC G4W 4S4

Financial Services / Services financiers  
Recovery Officer / Agent de recouvrement: 06474  
( ) -  
(888) 441-6982

### STATEMENT OF ACCOUNT(S) / RELEVÉ DE COMPTE(S)

Name Nom DELOITTE RESTRUCTURING INC.	Client ID Id. du client 31-458178YY	Statement Date Date du relevé JAN 28 2017	Due Date Date d'échéance FEB 18 2017	Minimum Payment Paiement minimum 58,441.00
--	---	---	--	--

Summary of Accounts / Sommaire des comptes:

Previous Balance Solde précédent	Establishments Établissements	Payments Paiements	Adjustments Ajustements	Interest Intérêt	New Balance Nouveau solde
WAGE EARNER PROTECTION PROGRAM SPRI					
1,051,157.46	0.00	0.00	2,000.00	0.00	1,053,157.46
WAGE EARNER PROTECTION PROGRAM UNSC					
893,232.66	0.00	0.00	1,641.18	0.00	894,873.84

ARC  
- Receiver  
31-458178

Previous Balance Solde précédent	Establishments Établissements	Payments Paiements	Adjustments Ajustements	Interest Intérêt	Total Balance Solde Total
1,944,390.12	0.00	0.00	3,641.18	0.00	1,948,031.30

PLEASE SEE REVERSE FOR FURTHER DETAILS / S.V.P. VOIR AU VERSO POUR DE PLUS AMPLES RENSEIGNEMENTS

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

FIFTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.  
(March 27, 2017)

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 March 6, 2017**

<u>Description</u>	<u>Amount</u>	<u>Notes</u>
<b>Receipts</b>		
Cash on hand and sale proceeds	\$ 2,117,666	1
Film tax credits recoveries - TF I Productions Inc.	2,749,731	
Administration of asset transfers and occupancy cost recoveries	79,070	2
Miscellaneous receipts	1,000	
Total actual receipts	<u>4,947,468</u>	
<b>Disbursements</b>		
Receiver's fees	622,038	4
Receiver's legal counsel fees	170,048	4
Contract employees and third party professionals	256,068	3
Operating expense	177,874	5
Occupation rent	155,990	
Tax credits filing/application fees	70,060	
HST paid post-receivership	167,534	
Utilities	22,063	
Miscellaneous disbursements	1,527	
Official receiver filing fee	140	
Total actual disbursements	<u>1,643,342</u>	
<b>Excess of Receipts over Disbursements</b>	<u><u>\$ 3,304,126</u></u>	

**Notes:**

- 1 This amount includes cash balances in USD\$ 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 eight 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)

FIFTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.  
(March 27, 2017)

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., TFI 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 HARTLEY BRICKS**  
**(Sworn March 27, 2017)**

I, HARTLEY BRICKS, of the City of Toronto, in the Province of Ontario, **MAKE OATH  
AND SAY:**

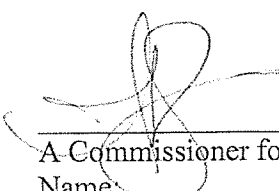
1. I am a Senior Vice-President of Deloitte Restructuring Inc. ("**Deloitte**"), the Court appointed Receiver in these proceedings (the "**Receiver**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe 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 eighth and ninth interim invoices rendered by the Receiver in respect of the weekly periods from November 1, 2016 to February 28, 2017. 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 187.4 hours in connection with this matter during the period from November 1, 2016 to February 28, 2017, giving rise to fees and disbursements totalling \$77,305.50, 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.

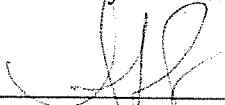
SWORN before me in the City of Toronto,  
in the Province of Ontario, on this 27th day  
of March, 2017.

  
\_\_\_\_\_  
A Commissioner for taking affidavits  
Name:

  
\_\_\_\_\_  
HARTLEY BRICKS

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

This is Exhibit "A" referred to in the  
affidavit of Hartley Bricks  
sworn before me, this 27th  
day of March, 2017.



---

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 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: February 9, 2017  
Invoice No: **4272519**  
Client/Mandate No: 850135.1000009  
Billing Partner: Paul Casey

HST Registration No: 133245290

## Invoice #8

For professional services rendered by Deloitte Restructuring Inc. as Court-appointed Receiver of Arc Productions Ltd. ("Arc" or the "Company") for the three-month period from November 1, 2016 to January 31, 2017

Date	Professional	Description	Hours
11/1/2016	Brown,Rose M	Trust Banking Administration - Deposit.	0.3
11/1/2016	Chu,Jonathan Matthew	Meeting with Lynn, Woodward, Andrew Kay at KWCA; Physical send out of mail.	1.5
11/1/2016	Leung,Warren	Update collateral analysis, review statement of accounts, update Statement of Receipts and Disbursements, meeting with tax credit consultants to obtain status update, call with counsel to insurers re D&O liability.	5.0
11/2/2016	Brown,Rose M	Trust Banking Administration - Disbursement cheques.	0.5
11/2/2016	Casey,Paul M	Execute HP Assignment; sign cheques.	0.1
11/2/2016	Chu,Jonathan Matthew	Review of OCASE applications for Lynn; Review of Woodward invoice.	5.0
11/2/2016	Koroneos,Anna	Review of mail and enter new WEPP payments for several former employees.	0.5
11/3/2016	Chu,Jonathan Matthew	Review timesheets to identify Mass Animation time; Delegate task to Lynn and Woodward.	1.0
11/7/2016	Casey,Paul M	TC Counsel; review Blazing Agreement and comment.	0.5
11/7/2016	Koroneos,Anna	Enter Service Canada mail re: employee payments.	0.4



<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hours</b>
11/8/2016	Casey,Paul M	Mtg Chu and review/approve OCASE applications.	0.2
11/8/2016	Chu,Jonathan Matthew	OCASE application review with Paul, draft letter to OMDC, draft email to Rose, correspondence with Lynn; review contractor payout for Lynn and KWCA.	2.0
11/8/2016	Koroneos,Anna	Enter SC payments received for employees and with R. Brown on same.	0.4
11/9/2016	Casey,Paul M	Review and approve further OCASE applications; discuss Blazing cost allocations.	0.2
11/9/2016	Chu,Jonathan Matthew	Review of OCASE applications, emails to Rose for letters.	1.5
11/9/2016	Koroneos,Anna	Review of request from J. Harnum and discussion with G. Page on same; prepare schedule with required information.	0.5
11/10/2016	Brown,Rose M	Trust Banking Administration - disbursement cheques.	1.1
11/10/2016	Casey,Paul M	Review and execute amended Mass animation tax credit facilitation agreement; review and sign contractor cheques;	0.3
11/10/2016	Koroneos,Anna	With G. Page and P. Casey on response to Koskie; review schedule and forward with email; review of WEPPA payments received from SC and update.	0.8
11/10/2016	Page,Graham	Preparation of employee information request from J. Harnum.	0.7
11/11/2016	Chu,Jonathan Matthew	Onsite at KWCA to organize and document boxes; updating documentation list; draft email to Richard and Andrew.	1.5
11/14/2016	Casey,Paul M	Receipt and review of assessments from CRA and distribute to GP; review updated R&D and ERV drafts; emails Leung; TC Shah at GP and issue draft update with attachments.	2.5
11/14/2016	Koroneos,Anna	Engagement management.	1.0
11/15/2016	Koroneos,Anna	Engagement management.	0.6
11/16/2016	Brown,Rose M	Trust Banking Administration - Disbursement cheque.	0.3
11/16/2016	Chu,Jonathan Matthew	Preparing bill for Mass Animation.	1.5

<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hours</b>
11/17/2016	Casey,Paul M	Emails and instructions Chu re supporting analysis for Estimated Realization estimate; review indemnity.	0.2
11/17/2016	Chu,Jonathan Matthew	Receivership administration.	2.0
11/17/2016	Koroneos,Anna	Review documents related to Arc.	0.5
11/18/2016	Casey,Paul M	Review and comment on Court applications materials; email counsel; instructions Leung; Mtg Chu; review and update proforma estimated recovery analysis for GP and issue.	3.0
11/18/2016	Chu,Jonathan Matthew	Referencing Estimated Realization schedule for Paul Casey and Warren to send to GP.	2.8
11/18/2016	Koroneos,Anna	With P. Casey and team on information required pre bankruptcy.	0.5
11/21/2016	Brown,Rose M	Trust Banking Administration - Disbursement cheque.	0.3
11/21/2016	Casey,Paul M	Emails from Kay re access requests and emails team.	0.2
11/21/2016	Koroneos,Anna	Review and prepare updates for W. Leung and court report.	1.0
11/22/2016	Casey,Paul M	Mtg Chu re CRA consent forms and other tax credit collection activities; emails.	0.4
11/22/2016	Chu,Jonathan Matthew	Email with Warren, Joe to get CRA business numbers for various ARC entities.	0.3
11/23/2016	Casey,Paul M	Emails from KWCA and team; TC Sherman and instructions.	0.5
11/23/2016	Chu,Jonathan Matthew	Preparing package to send to CRA; correspondence with Joe; scheduling conference call.	0.8
11/24/2016	Casey,Paul M	Pre-meeting with Chu and call with Andrew Kay and Joe Woodward re status of tax credits; instructions and followup.	1.0
11/24/2016	Chu,Jonathan Matthew	Call with KWCA, email out to Richard.	1.0
11/24/2016	Leung,Warren	Call re tax credit administration update; correspondence with counsel re review of emails; coordination around RC59 tax authorization forms; updating draft fourth report of the receiver along with ancillary reports.	4.5
11/25/2016	Brown,Rose M	Trust Banking Administration - deposit.	0.3

Date	Professional	Description	Hours
11/25/2016	Chu,Jonathan Matthew	Confirming address on file at CRA; phone call with Bernadette from Service Ontario; Call with Steven from CRA to confirm addresses for ARC entities.	1.0
11/25/2016	Leung,Warren	Call with counsel re bankruptcy proceedings; team supervision; coordination with Mass Animation re facilitation of tax credits; call with CRA to obtain GST/HST update.	3.0
11/28/2016	Leung,Warren	Meeting with P. Casey re status update, team supervision re tax credits work.	0.5
11/29/2016	Leung,Warren	Call with CRA re GST/HST liability, emails with Disney re tax credit applications.	0.5
11/30/2016	Casey,Paul M	Mtg Leung and TC Andrew Kay.	0.3
11/30/2016	Chu,Jonathan Matthew	Review of tax credits and financial statements.	1.8
11/30/2016	Leung,Warren	Meeting with KWCA re tax returns for Arc entities, meeting with team to discuss tax returns.	1.5
12/1/2016	Casey,Paul M	Mtg re KWCA emails and requests for info to permit filing of 2015 T2s; Update 4th Report and distribute to counsel.	1.0
12/1/2016	Chu,Jonathan Matthew	Reference check for tax documents, call with Jez, email to Andrew.	2.3
12/2/2016	Casey,Paul M	Discussion Leung and emails re tax filings.	0.3
12/2/2016	Chu,Jonathan Matthew	Tax credit review; Service Canada letters.	4.0
12/2/2016	Leung,Warren	Review of draft tax returns, update Fourth Report of the Receiver, meeting with team to discuss status of report and tax returns.	3.0
12/2/2016	Page,Graham	WEPPA questions from Ministry of Labour and update to WEPPA figures in report.	0.6
12/5/2016	Casey,Paul M	Mtg Leung; swear affidavit and finalize Court Report; Review and sign Tax Returns.	1.1
12/5/2016	Chu,Jonathan Matthew	Correspondence with Rich, Scan of Paul's signature pages.	0.5
12/5/2016	Koroneos,Anna	With G. Page on WEPP and no further contact required.	0.1
12/6/2016	Chu,Jonathan Matthew	Review KWCA invoice; file backup matters.	0.5

<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hours</b>
12/7/2016	Chu,Jonathan Matthew	Referencing for second report; tying SRD to Ascend GL; tying report to various data sources; Gather files for response to email from Woodward.	2.5
12/9/2016	Leung,Warren	Correspondence with legal counsel re Disney.	0.5
12/12/2016	Chu,Jonathan Matthew	Referencing and support for the Fourth Report of the Receiver.	0.5
12/13/2016	Leung,Warren	Call with J. Woodward re tax credit applications.	0.5
12/14/2016	Leung,Warren	Call with Spin Master and counsel re tax credits for Rusty Rivets.	0.5
12/15/2016	Chu,Jonathan Matthew	Fourth Report.	2.5
12/15/2016	Leung,Warren	Review of KWCA tax credit status update schedule, update recovery analysis.	1.0
12/16/2016	Brown,Rose M	Estate Administration - update website page - three documents.	0.5
12/16/2016	Casey,Paul M	Review application materials; reporting email to Grosvenor Park; mtg Leung; assignment prep and info to Page; Review updated tax credits summary and discuss with Leung.	2.5
12/16/2016	Leung,Warren	Meeting with P. Casey re tax credit status update.	0.5
12/19/2016	Casey,Paul M	Mtgs Page and Leung re assignment; status call Sherman.	0.5
12/19/2016	Chu,Jonathan Matthew	Review of Lynn's Invoice; Fourth Report.	0.5
12/19/2016	Koroneos,Anna	Engagement management.	0.3
12/19/2016	Leung,Warren	TC with counsel re Clydes request for information, Koskie Minsky billings.	0.5
12/20/2016	Brown,Rose M	Update Arc Website documents and prepare disbursement cheques.	0.9
12/20/2016	Casey,Paul M	Prep and attend at Superior Court of Justice for approval and assignment orders; Mtgs and instructions re assignment docs incl SoA; EIS; etc.	2.5
12/20/2016	Leung,Warren	Court attendance re bankruptcy application and approval of Receiver's activities and fees.	0.7

Date	Professional	Description	Hours
12/23/2016	Chu,Jonathan Matthew	Find incorporation dates for various ARC entities.	0.5
1/3/2017	Leung,Warren	Review documents provided to Mass Animation re tax credits, discussion with J. Chu re same.	0.7
1/4/2017	Leung,Warren	Prepare and update statement of accounts, billings, update ERV schedule, meeting with J. Chu re same.	3.0
1/5/2017	Chu,Jonathan Matthew	Research internal documents to find shareholder structure for ARC entities; review Blazing Samurai pivot schedule.	2.0
1/5/2017	Leung,Warren	Review of Blazing Samurai tax credits schedule, respond to Len of Global Incentives on behalf of Mass Animation.	0.5
1/9/2017	Koroneos,Anna	With former employee Chang Dai on his T4 issue; question employee status at receivership.	0.2
1/9/2017	Leung,Warren	Meeting with P. Casey on GST/HST elections.	0.3
1/10/2017	Casey,Paul M	Review and assess reporting emails from KWCA regarding tax credits.	0.2
1/10/2017	Leung,Warren	Call with Len re Blazing Samurai OMDC applications, call with Joe Woodward re same.	1.0
1/11/2017	Koroneos,Anna	Enter WEPPA claim and give to R. Brown for claims register.	0.2
1/12/2017	Casey,Paul M	Email Faskens and GSNH.	0.1
1/12/2017	Chu,Jonathan Matthew	Call and email correspondence with former employee regarding personal tax assessment.	0.2
1/12/2017	Leung,Warren	Call with CRA re Blazing Samurai AR and D&O liabilities, update supplement to Fourth Report of Receiver.	1.5
1/13/2017	Brown,Rose M	Trust Banking Administration - Deposit.	0.3
1/13/2017	Casey,Paul M	Review and sign Receivership HST returns; review GP claim against Directors and others; emails with counsel; conference call with Goodmans regarding status of assignment.	0.8

<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hours</b>
1/13/2017	Chu,Jonathan Matthew	Email correspondence with former employees about tax assessment and record of employment retrieval.	0.4
1/13/2017	Leung,Warren	Meeting with P. Casey to review HST returns, discuss other misc. issues.	0.5
1/14/2017	Chu,Jonathan Matthew	Review of material for Len; account correspondence.	2.5
1/16/2017	Chu,Jonathan Matthew	Call with Joe, Call with Service Canada, going through RoE's for information, review of KWCA invoice.	1.0
1/16/2017	Leung,Warren	Email to B. Dingle of BLG re CRA cheque, prepare GST/HST returns for Aug-Dec 2016, discussions with P. Casey and J. Chu re tax returns prepared by KWCA.	1.5
1/17/2017	Casey,Paul M	Mtg Leung et al and review of Arc 2015 Tax Return; email to KWCA; TCF Kay; Attend Conf Call with Paliare Roland.	1.5
1/17/2017	Chu,Jonathan Matthew	ARC 2015 year ends referencing; correspondence with Jez; compiling documents with J. Youn.	6.0
1/17/2017	Leung,Warren	Review of Arc Productions Ltd. tax return, meeting with team re same, call with GP counsel re claim against directors and others, email to counsel re Vestacon claim.	2.5
1/17/2017	Youn,John	ARC Production FS & T2 support.	4.0
1/18/2017	Brown,Rose M	Trust Banking Administration - Disbursement cheque.	0.3
1/18/2017	Casey,Paul M	Review Eggs T2 Return and support; meeting Youn; Email Andrew Kay and instructions Leung.	0.8
1/18/2017	Chu,Jonathan Matthew	Locating creditor agreements; correspondence with unsecured creditor, correspondence with employees surrounding T4, assisting with Eggs Ltd T2 referencing.	1.5
1/18/2017	Leung,Warren	Reviewed Eggs tax return and discussion with team re same, updated Arc website re T4s, discussion with J. Chu re T4 queries.	3.0
1/18/2017	Youn,John	T2 and FS referencing for Eggs.	2.0

Date	Professional	Description	Hours
1/19/2017	Casey,Paul M	Mtg Youn and Leung re Eggs T2 and instructions.	0.2
1/19/2017	Chu,Jonathan Matthew	T4 employee responses; call with Jez regarding labour production schedule; review of unpaid administrative fees.	1.3
1/19/2017	Leung,Warren	Meeting with J. Youn re Eggs tax return, discussion with team re T4 and other employee matters, compile data room for information requested by Clydes.	2.0
1/19/2017	Youn,John	Q&A correspondence regarding leadsheet, tax credit eligibility and labour schedule.	1.0
1/19/2017	Youn,John	Eggs leadsheet support and referencing.	2.0
1/20/2017	Casey,Paul M	Receipt of amended T4s from CRA and instructions Chu.	0.2
1/20/2017	Chu,Jonathan Matthew	Call with unsecured creditor, review of OCASE 2015 ARC, PSTC, OPSTC Barbie.	0.5
1/23/2017	Casey,Paul M	TCF Paliare Roland; T2 admin.	0.2
1/23/2017	Chu,Jonathan Matthew	Prepare labels and letter for amended T4 mailout, mailed out with J Youn; Respond to ex-employee inquiries surrounding T4's; email to Woodward; prepare for meeting with Jez	4.3
1/23/2017	Youn,John	Amended T4s mailing.	0.5
1/23/2017	Youn,John	Amended T4s mailing.	1.0
1/24/2017	Casey,Paul M	Review T2 support with Chu; Emails Ren Bucholz, Paliare.	0.3
1/24/2017	Chu,Jonathan Matthew	Meeting with Jez, references for leadsheet groupings for ARC Productions 2015, internal email status update for Leung and Casey; meeting with Casey; call with Lynn; draft email for Jez; respond to ex-employee inquiries for T4s; correspondence with IT for Lynn; call with Joe; organize courier for certificates.	4.5
1/24/2017	Koroneos,Anna	With Nasheet Zaman re: T4 and email to team; email to Nasheet with t4 (moved to US).	0.2
1/25/2017	Brown,Rose M	Updating website.	0.2
1/25/2017	Chu,Jonathan Matthew	Responding to ex-employee requests	0.8
1/26/2017	Chu,Jonathan Matthew	Correspondence with employees regarding T4s; review and double check of eggs and APL tax signature pages; correspondence with Lynn and IT.	0.8

<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hours</b>
1/27/2017	Casey,Paul M	Mtg with Buchholz of Paliare Roland; review T2 amendments and email Jez.	2.0
1/27/2017	Chu,Jonathan Matthew	Response to employees for ROE and T4, review of Lynn's invoice; meeting with Paul; email to Jez.	2.5
1/27/2017	Faria,Cecilia	Website postings	0.3
1/27/2017	Leung,Warren	Meeting with Buchholz of Paliare Roland.	1.0
1/30/2017	Chu,Jonathan Matthew	Check labour schedules for missing application fees; email Rose changed addresses; emails to Lynn; confirm eFile confirmations.	1.5
<b>Total</b>			<b>154.9</b>



**Summary of Fees**

<b>Professionals</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Amount</b>
Casey, Paul M	Partner	585	23.6	13,806.00
Koroneos, Anna	Senior Manager	455	7.2	3,276.00
Leung, Warren	Senior Manager	455	39.7	18,063.50
Page, Graham	Manager	375	1.3	487.50
Youn, John	Analyst	225	10.5	2,362.50
Chu, Jonathan Matthew	Analyst	225	67.3	15,142.50
Brown, Rose M	Administrator	105	5.0	525.00
Faria, Cecilia	Administrator	105	0.3	31.50
			154.9	<b>\$53,694.50</b>
Add: Administration Fee				3,758.62
Total Fees and disbursements				<b>\$57,453.12</b>
HST on fees and disbursements @ 13%				7,468.91
Total Payable				<b>\$64,922.03</b>



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: March 7, 2017  
Invoice No: **4291226**  
Client/Mandate No: 850135.1000009  
Billing Partner: Paul Casey  
HST Registration No: 133245290

## Invoice #9

For professional services rendered by Deloitte Restructuring Inc. as Court-appointed Receiver of Arc Productions Ltd. ("Arc" or the "Company") for the period from February 1, 2017 to February 28, 2017

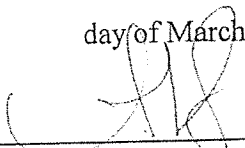
Date	Professional	Description	Hours
2/1/2017	Brown, Rose	Trust Banking Administration - disbursement cheque.	0.2
2/1/2017	Chu, Jonathan	ARC tax credit check.	1.5
2/1/2017	Leung, Warren	Call with CRA regarding GST/HST Returns.	0.3
2/2/2017	Chu, Jonathan	Correspondence with employees regarding T4s.	0.3
2/3/2017	Chu, Jonathan	Correspondence with employees regarding T4s; double check of WEPPA calculations; correspondence with Joe and Lynn.	2.0
2/6/2017	Casey, Paul	Emails regarding updated tax recovery worksheet; CRA correspondence.	0.1
2/6/2017	Chu, Jonathan	Work with Lynn and IT to back-up required files; review missing application fees; call with Woodward to retrieve necessary PDF.	2.8
2/7/2017	Chu, Jonathan	Correspondence with employees regarding T4; email to Joe for late payment; mail out of amended T4; double check of WEPPA numbers.	1.3
2/8/2017	Chu, Jonathan	ARC Correspondence with employees T4; Rose WEPPA calculations; affidavit preparation.	1.0
2/9/2017	Casey, Paul	Account administration and letter to G. Page; estate disbursements; Meeting J. Chu and W. Leung regarding various.	1.0
2/9/2017	Chu, Jonathan	Review of T2 for Princess Productions and In the Jungle; correspondence with employees regarding T4s; email to Woodward; correspondence with Rich.	4.0

2/9/2017	Leung, Warren	Discussions with P. Casey regarding reporting and billing; prepare invoices; update ERV and SRD.	2.0
2/10/2017	Chu, Jonathan	Meeting with Rich; update email to W. Leung and P. Casey; Scan through of KWCA invoice for reasonability.	1.3
2/13/2017	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.3
2/13/2017	Casey, Paul	Review ITJ and Princess Tax Returns; meeting J. Chu; Email from counsel; conference call with Forte and W. Leung regarding tax credits.	1.2
2/13/2017	Chu, Jonathan	Correspondence with employees T4s; call with Jez; email to Jez; draft email for P. Casey; respond to W. Leung inquiry (OCASE).	2.0
2/13/2017	Leung, Warren	Call with P. Casey and GSNH regarding Rusty Rivets and Blazing Samurai tax credits.	0.5
2/14/2017	Casey, Paul	Execute In the Jungle return and email KWCA.	0.2
2/15/2017	Brown, Rose	Trust Banking Administration - Disbursement cheques.	0.3
2/15/2017	Casey, Paul	Receipt of audit results from CRA ad compare to KWCA schedule; email to group; TCF Sherman regarding receivership matters.	0.5
2/15/2017	Leung, Warren	Discussion with P. Casey and counsel regarding Vestacon request for information; provide counsel with information regarding tax credits for Rusty Rivets and Blazing Samurai.	1.0
2/16/2017	Casey, Paul	Review correspondence from ESDC regarding WEPP super priority claim and CRA Requirements to Pay.	0.5
2/17/2017	Chu, Jonathan	Prepare WEPPA sheet for Bernadette; recognize discrepancies; correspondence with Joe; review tie out Barbie PSTC and OPSTC applications.	2.3
2/21/2017	Casey, Paul	Receipt of CRA correspondence; email to Chu regarding assessment.	0.1
2/22/2017	Brown, Rose	Banking Administration - Disbursement cheques.	0.4
2/22/2017	Casey, Paul	Meeting with J. Chu; review 2015 Returns; prepare cheques reqs for Fees.	0.5
2/22/2017	Chu, Jonathan	Tax credits application fees (Barbie Floating 2016); employee T4s; email to Jez; prepare letters to OMDC and CAVCO.	1.5
2/23/2017	Chu, Jonathan	Employee T4; review OCASE OPSTC application fees.	1.0
2/24/2017	Casey, Paul	Receipt of CRA Assessments and report to group.	1.5
2/27/2017	Chu, Jonathan	Employee T4 correspondence.	0.8
2/28/2017	Casey, Paul	Email to W. Leung regarding HST accounts.	0.1

**Summary of Fees**

<b>Professionals</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Amount</b>
Casey, Paul M	Partner	585	5.7	\$3,334.50
Leung, Warren	Senior Manager	455	3.8	\$1,729.00
Chu, Jonathan	Analyst	225	21.8	\$4,905.00
Brown, Rose M	Administrator	105	1.2	\$126.00
			<b>32.5</b>	<b>\$10,094.50</b>
Administration Fee				\$584.32
Out-of-pocket costs for in-town transportation, staff expenses, and office supplies				\$280.00
Total Fees and disbursements				<b>\$10,958.82</b>
HST on fees and disbursements @ 13%				<b>\$1,424.65</b>
Total Payable				<b>\$12,383.47</b>

This is Exhibit "B" referred to in the  
affidavit of Hartley Bricks  
sworn before me, this 27th  
day of March, 2017.

  
\_\_\_\_\_  
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 November 1, 2016 to February 28, 2017

Invoice No.	Fees	Disbursements	HST	Hours	Average Rate	Total
4272519 (November 1, 2016 to January 31, 2017) (8th Invoice)	\$57,453.12	\$0.00	\$7,468.91	154.9	\$370.90	\$64,922.03
4291226 (February 1 to February 28, 2017) (9th Invoice)	\$10,678.82	\$280.00	\$1,424.65	32.5	\$328.58	\$12,383.47
TOTALS	\$68,131.94	\$280.00	\$8,893.56	187.4	\$363.56	\$77,305.50

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

FIFTH REPORT OF DELOITTE RESTRUCTURING INC.,  
RECEIVER OF ARC PRODUCTIONS LTD., ET AL.  
(March 27, 2017)

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 March 23, 2017)

---

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 November 2016 to February 2017 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. The average hourly rate charged for the invoices set out in Exhibit "A" is approximately \$445.52. 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
Michael Rotsztain	\$575.00

5. Attached as Exhibit "B" to this Affidavit is a schedule summarizing the total billable hours charged and the total fees charged for each file in Exhibit "A".

6. 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.

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

8. 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 November 2016 to February 2017.

SWORN before me at the City of Toronto,  
in the Province of Ontario  
this 23rd day of March, 2017



A Commissioner for taking oaths, etc.

(*Paul Hancock*)



MARIO FORTE

*This is Exhibit "A" referred to  
in the Affidavit of Mario Forte  
sworn before me this  
23rd day of March, 2017.*

A handwritten signature in black ink, appearing to be "R. [unclear]", written over a horizontal line.

A Commissioner for taking oaths, etc.

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

DATE: December 31, 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: 148697

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 November 1<sup>st</sup> to November 30<sup>th</sup>, 2016.

DATE	LAWYER		TIME
Nov/01/16	SFS	Discussing Arc's obligation to disclose documents in connection with claims against directors and officers with M. Forte. Phone call to Goodmans re same. Conference call with counsel for Chubb Insurance and client re request for documentation.	1.20
Nov/02/16	SFS	Answering client questions re transfer and assumption agreement with HP. Making client's revisions to same and circulating to counsel for HP and JFET.	0.80
Nov/03/16	SFS	Email correspondence with counsel for HP and JFET re transfer and assumption agreement.	0.10
Nov/08/16	SFS	Email from counsel for HP re lease guaranty.	0.10
Nov/08/16	SFS	Reviewing Tax Credit Facilitation Services Agreement forwarded by Mass and tax credit application schedule. Email with client re amendment to recitals.	0.70
Nov/19/16	SFS	Reviewing draft bankruptcy motion materials. Email correspondence with M. Forte and W. Leung re request for additional documentation received by Chubb insurance.	0.30
Nov/21/16	SFS	Phone call with W. Leung re request for information from counsel for insurer. Email correspondence with insurer's counsel re same.	0.50
Nov/22/16	SFS	Email correspondence with client and counsel for Chubb re documents requested by Chubb and associated cost.	0.30
Nov/29/16	SFS	Email correspondence from client and to J. Wadden re request for documentary disclosure. Voicemail to J. Wadden re same.	0.30

OUR FEE HEREIN  
H.S.T. on Fee

\$1,247.00  
162.11

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.

FEE SUMMARY

HOURS      RATE      TOTAL

Sanja F. Sopic      4.30      290.00      \$1,247.00

DISBURSEMENTS:

Photocopies      8.00  
Courier      10.00  
Laser Copies      37.50

TOTAL DISBURSEMENTS

\$55.50

H.S.T. on Disbursements

\$7.22

DISBURSEMENTS MARKED WITH \* INDICATE EXEMPT

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$169.33 H.S.T.)

\$1,471.83

PREVIOUS BALANCE

NIL

BALANCE DUE

\$1,471.83

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 Canada

DATE: December 31, 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: 148898

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  
December 1<sup>st</sup> to December 31<sup>st</sup>, 2016.

DATE	LAWYER		TIME
Dec/01/16	SFS	Email correspondence re CAVCO figures.	0.10
	MJF	dealing with CAVCO matters; responding to matters related to bankruptcy application	0.20
Dec/02/16	SFS	Email correspondence with M. Spence re Receiver's certificate.	0.20
Dec/05/16	MJF	dealing with request for production and advising thereon; review CAVCO Elena application;	0.40
Dec/07/16	MJF	dealing with Vestacon matters	0.20
Dec/08/16	MJF	discussing Vestacon matters; discussion with Spinmaster counsel re; tax credit prep and related matters;	0.30
Dec/09/16	MJF	responding to B2K counsel regarding procedural and claims matters	0.60
Dec/12/16	MJF	responding to questions on construction lien matters; dealing with Spinmaster issues; review CAVCO application	0.50
Dec/13/16	MJF	review updated receivers' 4th report; discuss bankruptcy application matters	0.30
Dec/14/16	MJF	attend call with Spinmaster and commence review of tax credit ownership claim and consider opinion matters;	1.00
Dec/15/16	SFS	Reviewing and revising notice of motion and draft order for motion for approval of Receiver's fees and activities.	0.50
	MJF	responding to creditor inquiries	0.20
Dec/16/16	SFS	Email correspondence with client re bankruptcy motion. Putting together motion record and serving same.	1.20
	MJF	advising on bankruptcy matters; reviewing court materials; discussions with Vestacon counsel	0.70
Dec/19/16	SFS	Conference call with M. Forte and K. Eccleston re bankruptcy application and Vestacon breach of trust claim. Call and emails with representative counsel for employees	1.70

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.

		re bankruptcy motion. Reviewing fourth report ahead of tomorrow's motion.	
	MJF	advising on various responses to bankruptcy application; review Vestacon counsel letter	0.20
Dec/20/16	SFS	Preparing for and attending before Commercial List to speak to bankruptcy motion and approval of Receiver's fees and activities.	1.60
Dec/22/16	SFS	Reviewing Trustee's Report to Creditors and email to client re same. Email correspondence with client re assignment into bankruptcy.	0.80
	MJF	dealing with issues on bankruptcy filing and discussion with OR	0.20
Dec/23/16	MJF	dealing with procedurally consolidating filings and advice thereon	0.70

OUR FEE HEREIN	\$4,794.00
H.S.T. on Fee	623.22

FEE SUMMARY	HOURS	RATE	TOTAL
Sanja F. Sopic	6.10	290.00	\$1,769.00
Mario J. Forte	5.50	550.00	\$3,025.00

DISBURSEMENTS:	
Telephone Charges	27.08
Laser Copies	154.00
Filing Motion Record	141.59

TOTAL DISBURSEMENTS	<u>\$322.67</u>
H.S.T. on Disbursements	<u>\$41.95</u>

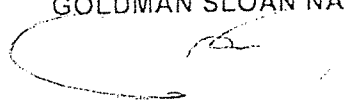
DISBURSEMENTS MARKED WITH \* INDICATE EXEMPT

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$665.17 H.S.T.)	\$5,781.84
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BALANCE DUE	<u>\$5,781.84</u>
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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 Canada

DATE: February 9, 2017  
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: 149824

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 25, 2016 and January 4, 2017 up to and including January 30, 2017.

DATE	LAWYER		TIME
Oct/25/16	SFS	Conference call with client and M. Forte re lease assignment agreement, HP transfer and assumption agreement, Arc assignment in bankruptcy and Vestacon proceedings against former directors and officers. Reviewing email correspondence re same.	0.80
Jan/04/17	MJF	review jam filled HPE assignment correspondence	0.10
Jan/09/17	MJF	reviewing Vestacon correspondence and correspondence with GP counsel on response	0.30
Jan/10/17	MJF	reviewing jam filled and HPE correspondence on assignments	0.10
	MJF	organizing call to discuss response to Vestacon	0.10
Jan/11/17	MJF	call to address response to Vestacon	0.40
Jan/12/17	MJF	follow up discussion on Vestacon and Arc matters and receiving GP position on disclosure	0.20
	MJF	review revised report (supplemental)	0.30
	MJF	advising on disclosure to counsel for D&O	0.10
Jan/16/17	MJF	call to discuss amended bankruptcy order; providing comments on the supplemental report and reviewing changes;	0.30
Jan/17/17	MJF	advising on D&O disclosure	0.10
Jan/18/17	MJF	reviewing and discussing changes to supplemental report	0.20
Jan/23/17	MJF	completion of notice of motion and draft order for amended bankruptcy matter; responding to questions on Vestacon matters	0.80
Jan/26/17	MJF	consideration of Spinmaster position on tax credits and whether language is in the nature of security and PPSA registration is required	1.60
Jan/27/17	MJF	attendance for 9:30 before Newbould J. to receive amended bankruptcy order and reporting thereon; call to C Stemegna concerning industry practice on ownership of tax credits and rights thereto	1.10
Jan/30/17	MJF	review Spinmaster correspondence	0.10

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.

Jan/30/17	MJF	C Stemegna concerning industry practice on ownership of tax credits and rights thereto review spinmaster correspondence	0.10
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OUR FEE HEREIN	\$3,422.00
H.S.T. on Fee	444.86

FEE SUMMARY	HOURS	RATE	TOTAL
Sanja F. Sopic	0.80	290.00	\$232.00
Mario J. Forte	5.80	550.00	\$3,190.00

DISBURSEMENTS:

Photocopies	3.75
Laser Copies	111.00
File Motion Record*	160.00

TOTAL DISBURSEMENTS	\$274.75
H.S.T. on Disbursements	\$14.92

DISBURSEMENTS MARKED WITH \* INDICATE EXEMPT

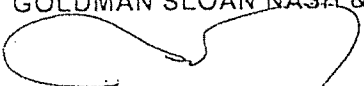
TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$459.78 H.S.T.)	\$4,156.53
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PREVIOUS BALANCE	\$7,253.67
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BALANCE DUE	<u>\$11,410.20</u>
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THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP

  
Per: Mario J. Forte

E. & O. E.



Jan/30/17	MJF	C Stemegna concerning industry practice on ownership of tax credits and rights thereto review spinmaster correspondence	0.10
-----------	-----	--	------

OUR FEE HEREIN	\$3,422.00
H.S.T. on Fee	444.86

FEE SUMMARY	HOURS	RATE	TOTAL
Sanja F. Sopic	0.80	290.00	\$232.00
Mario J. Forte	5.80	550.00	\$3,190.00

DISBURSEMENTS:

Photocopies	3.75
Laser Copies	111.00
File Motion Record*	160.00

TOTAL DISBURSEMENTS	\$274.75
H.S.T. on Disbursements	\$14.92

DISBURSEMENTS MARKED WITH \* INDICATE EXEMPT

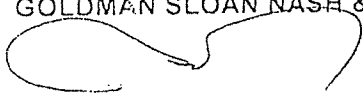
TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$459.78 H.S.T.)	\$4,156.53
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PREVIOUS BALANCE	\$7,253.67
------------------	------------

BALANCE DUE	<u>\$11,410.20</u>
-------------	--------------------

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 Canada

DATE: March 6, 2017  
 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: 150256

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 February 10<sup>th</sup>, 2017 to and including February 28<sup>th</sup>, 2017.

DATE	LAWYER		TIME
Feb/10/17	MJF	engaged in dealing with Vestacon matter and research in connection with Spinmaster rights in tax credits	1.00
	MBR	Reviewing potential Spin Master PPSA issue with M Forte.	0.30
Feb/13/17	MJF	engaged in discussions and advice regarding status of claim for tax credits and related matters	1.00
Feb/15/17	MJF	engaged in review of credit agreement and issues related to characterization of producers' interest in tax credits and discussions thereon;	1.10
Feb/24/17	MJF	discussions concerning information requests and priority issues	0.30
Feb/27/17	MJF	dealing with requests for information and advice on response	0.80
Feb/28/17	MJF	discussions with counsel to landlord concerning disclosure matters; discussions and correspondence with counsel concerning insurer matters	0.80

OUR FEE HEREIN \$2,922.50  
 H.S.T. on Fee 379.93

FEE SUMMARY	HOURS	RATE	TOTAL
Mario J. Forte	5.00	550.00	\$2,750.00
Michael B. Rotsztain	0.30	575.00	\$172.50
DISBURSEMENTS:			
Laser Copies			2.50
TOTAL DISBURSEMENTS			\$2.50
H.S.T. on Disbursements			\$0.33

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.

DISBURSEMENTS MARKED WITH \* INDICATE EXEMPT

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$380.26 H.S.T.)

\$3,305.26

BALANCE DUE

\$3,305.26

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  
23<sup>rd</sup> day of March, 2017.*



\_\_\_\_\_  
A Commissioner for taking oaths, etc.

**DELOITTE RESTRUCTURING INC.**  
(November 2016 – February 2017)

Date	File No.	Fees	HST	Disbursements	HST	Total Fees Disbursements and Taxes
November 1 – November 30, 2016	161502	\$1,247.00	\$162.11	\$55.50	\$7.22	\$1,471.83
December 1 – December 31, 2016	161502	\$4,794.00	\$623.22	\$322.67	\$41.95	\$5,781.84
October 25, 2016 January 4 - January 30, 2017	161502	\$3,422.00	\$444.86	\$274.75	\$14.92	\$4,156.53
February 10 – February 28, 2017	161502	\$2,922.50	\$379.93	\$2.50	\$0.33	\$3,305.26
<b>TOTAL</b>		<b><u>\$12,385.50</u></b>	<b><u>\$1,610.12</u></b>	<b><u>\$655.42</u></b>	<b><u>\$64.42</u></b>	<b><u>\$14,715.46</u></b>

**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  
(Sworn March 23, 2017)**

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TAB 4

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

GROSVENORPARKMEDIAFUND 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., paUNDERZOO PRODUCTIONS INC., HOLE IN THE BELLY PRODUCTIONS  
LTD., SIR SIMON PRODUCTION LTD., SAMURAI PRODUCTIONS LTD., THOMAS  
MURRAY, KALLAN KAGAN and PETER KOZIK

Defendants

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GROSVENOR PARK MEDIA FUNDS L.P.

ARC PRODUCTIONS, et al.

Plaintiff

Defendants

Court File No.: CV-16-11472-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceedings commenced at Toronto

**MOTION RECORD OF THE RECEIVER**

(Motion returnable April 18th, 2017)

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